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ABSTRACT

This document is a transcript of oral and written testimony given by witnesses at a Congressional hearing that examined veterans' employment and training programs administered by the Department of Labor, and H.R. 4087, a bill to amend certain aspects of those programs. (H.R. 4087 aims to make employment counseling available to veterans and to extend the eligibility for Vietnam-era veterans.) Witnesses included the Assistant Secretary of Labor for Veterans' Employment and Training, officials of various veterans' associations and organizations (such as the American Legion and Vietnam Veterans of America), and state officials. The Assistant Secretary of Labor testified that the bill would be redundant and too costly. He also suggested changes in existing programs to permit the Department of Labor to conduct further studies of funding and permanency of programs. A representative from New York described the veterans' programs being conducted in that state and asked for implementation of H.R. 4087 in order to continue those programs. Most of the veterans' representatives supported the proposed legislation, with modifications. (KC)

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DEPARTMENT OF LABOR EMPLOYMENT AND TRAINING PROGRAMS, AND H.R. 4087

HEARING

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

APRIL 25, 1990

Printed for the use of the Committee on Veterans' Affairs

Serial No. 101-46

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DEPARTMENT OF LABOR EMPLOYMENT AND TRAINING PROGRAMS, AND H.R. 4087

Wednesday, April 25, 1990

House of Representatives,
Subcommittee on Education, Training
and Employment,
Committee on Veterans' Affairs,
Washington, DC.

The subcommittee met, pursuant to notice, at 1:30 p.m., in room 334, Cannon House Office Building, Hon. Tim Penny (chairman of the subcommittee) presiding.

Present: Representatives Penny, Patterson, Evans, Long, Smith of New Jersey, and Ridge.

OPENING STATEMENT OF CHAIRMAN PENNY

Mr. Penny. The subcommittee will come to order.

I want to welcome those of you here this afternoon. We are meeting to review certain employment and training programs in the Department of Labor, programs which affect our Nation's veterans, to see if those programs are serving the needs of veterans as intended by Congress. Additionally, we will review H.R. 4087, a bill to amend title 38, U.S. Code, with respect to employment and training programs for veterans. A summary of the measure is included in each member's folder.

We have a large number of witnesses today, and there will certainly be questions for every witness. Accordingly, I request unanimous consent that members of the subcommittee be allowed to submit written questions to witnesses following the hearing, and that the questions and responses be included in the record.

I would also request that our witnesses limit their statements to 5 minutes. As always, your written statements will, of course, be included in the printed record.

It is possible that we could be called away for votes. If that happens, we would ask for your indulgence. We will take as little time as possible, and we would like to conclude this hearing by 3:30.

Before we hear from our first witness, I want to recognize our ranking minority member, Chris Smith of New Jersey, for any statement he may have.

OPENING STATEMENT OF HON. CHRIS SMITH OF NEW JERSEY

Mr. Smith of New Jersey. I thank you, Mr. Chairman.

First of all, I appreciate you scheduling this hearing to review veterans employment and training programs administered by the

Department of Labor and H.R. 4087, a bill to amend certain aspects of these programs.

Mr. Chairman, as you know, we are all well aware that because of certain current reductions in forces, many service people will soon be leaving the military and seeking employment. For many of these individuals, it will be their first job search and they will very likely need guidance and assistance in securing gainful employment. We need to ensure that the job service system can accommodate these individuals and is equipped to deal with the special needs of our veterans.

H.R. 4087 aims to make employment counseling available to veterans by enabling DVOPs to provide the service and by extending eligibility for Vietnam-era veterans. Mr. Chairman, like you, I am looking forward to the array of witnesses. I do want to welcome Mr. Collins, who will be testifying.

I would just point out that at one point I'm going to have to leave for another hearing in which I will be testifying, but I will come back and join in the questioning.

Mr. **Penny**. Thank you, Chris.

We are very pleased to welcome our first witness, the Honorable Tom Collins, Assistant Secretary of Labor for Veterans' Employment and Training. Tom, this is your first appearance before our subcommittee and I want to welcome you. I understand you also have some staff assistants who you would want to join you at the table. You're certainly welcome to have them come forward because there may be some questions you would want to refer to them.

With that, please feel free to begin. Again, your statement, in its entirety, will be included in the record.

STATEMENT OF HON. THOMAS E. COLLINS, ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING, U.S. DEPARTMENT OF LABOR

Mr. **Collins**. Thank you, Mr. Chairman, and other distinguished members of the committee. It is an honor for me to come before the committee today and address the topics in House Resolution 4087 as they pertain to the employment needs of our country's veterans. I will also discuss the Federal contractor program and the Job Training Partnership Act as they pertain to veterans.

I am pleased to have with me today executives from the Veterans' Employment and Training Service in the Department of Labor in an advisory capacity. I would like to ask them to come to the table now in case I need their advice, because this is a very important hearing.

We have Mr. Jeff Crandall, our Director of Field Operations; Mr. George Bailey from our Department of Labor Office of Budget; Rich Larson, our office manager for budget information; and Mr. Hary Duany, who is programs director, Office of Veterans' Employment and Reemployment and Training.

With your permission, Mr. Chairman, I would like to open with just a brief statement.

The Disabled Veterans' Outreach Program, DVOP, is one of the most valuable programs that has served our disabled veterans and

Vietnam-era veterans during this past decade. The DVOP program still has a lot of work to do when we analyze the remaining Vietnam era and disabled veterans who continue to have employment problems. However, as we look to the future and the decade ahead, we are recommending that a thorough examination of the DVOP program take place, to examine the delivery of services to other groups of veterans in need, considering the dynamics of both the labor market and the veterans community.

I am particularly concerned for the increasing number of veterans who will be leaving the military service in the next several years, as the military services will apparently reduce in size. The existing DVOP program is a program which could be used to serve the needs of the veterans. We feel that the single extension of the present DVOP program through 1996, although well intentioned and appreciated, is not the total answer. We wholeheartedly support revising the eligibility of veterans to be served by DVOP staff to include members of the armed services before discharge to allow DVOPs to serve these soon-to-be-veterans as proposed in H.R. 4087. Also, thank you, Chairman Penny, for introducing the Administration's proposed bill, which would serve the same purpose.

H.R. 4087 would also create a new Advisory Committee on Veterans Employment and Training. However, there already exists the Secretary's Committee on Veterans' Employment which serves a very valuable purpose by bringing representatives of the various constituency groups who represent the veterans of this country together with the expertise of representatives of various departments of the Federal Government which are involved in veterans employment issues. Although we appreciate the intent to enlarge the advice given to the Secretary on veterans employment issues, we feel that the current committee does an excellent job, especially in light of the fact that it was just expanded last year, and combined with the fact that we have recently adopted some rather simple but effective procedures in the operation of the committee. Further, we are in the process of formulating a subcommittee to advise the Secretary on national veterans employment policy matters.

We feel that the provisions of this bill would create redundancy and duplication of the functions of the office of the Assistant Secretary for Veterans' Employment and Training and would be very costly with the provisions for per diem and travel and the additional expenses for separate assessment and report writing.

I also wish to comment today on the Federal contractor program which provides for affirmative action in veterans employment. We plan to place far greater emphasis on the Federal contractor program, as authorized under section 2012, title 38, of the U.S. Code, which pertains to affirmative action for Vietnam era and special disabled veterans having Federal contracts over $10,000.

The $10,000 threshold is not effective for two reasons: one, a $10,000 contract is often not large enough to create new jobs, and secondly, the existing $10,000 threshold is not consistent with the other affirmative action thresholds established at $50,000 by regulation. For these two reasons, our efforts to promote employment opportunities for veterans with Federal contractors are not maximized.

We recommend providing authority for the Secretary to establish by regulation the appropriate threshold for data collection. This would enable us to coordinate data collection and enforcement efforts with the Department of Labor's Office of Federal Contract Compliance Programs as recommended by U.S. Code, 2012. This would give us a much better listing of employers and allow us to market veterans employment on a much broader scale.

Now, we are involved with the Job Training Partnership Act and job training activities for veterans in addition to our title IV-C administration under which only veterans are served. There are other important sections of the Job Training Partnership Act that serve veterans. As we focus our title IV-C funds only on veterans, I would like to note that both the title II-A and title III funds are available and are being used to serve veterans in job training. It is estimated that approximately $150 million per year is directly utilized by veterans from both title II-A, which serves the disadvantaged and hard to serve, and title III, which serves dislocated workers. I will continue to engage in efforts aimed at increasing veterans' participation in these programs, especially the eligible soon to be veterans separating from the military.

In conclusion, the DVOP program is very valuable to veterans as it was originally designed to serve. It now has the potential for long-range use. This could be determined after thorough study. We further feel that we should be able to provide services to present members of the Armed Forces, the soon to be veterans, so that they can make an orderly and smooth transition back into the economy and labor market. We feel that the present structure of the Secretary's Committee on Veterans Employment works well in bringing to the attention of the Secretary problems and concerns regarding veterans employment and training issues.

I thank you for this opportunity to come before you today with my views, and I would be happy to answer any questions.

[The prepared statement of Mr. Collins appears at p. 42.]

Mr. PENNY. Thank you, Tom.

Can you tell me, of the 1,600 LVER positions and the 1,893 DVOP positions mandated by Congress, how many are actually funded this year?

Mr. COLLINS. The LVER and DVOP positions are fully funded for the remainder of this year, fiscal year 1990.

Mr. PENNY. And how about 1991? How about the budget request for 1991?

Mr. COLLINS. The request for fiscal year 1991, due to budgetary constraints as presented to the Congress, does not fully fund the DVOP and LVER programs.

Mr. PENNY. Do you know how many positions will be sacrificed due to those budget limitations?

Mr. COLLINS. I would be happy to give you the count in writing, but we estimate it would be approximately 100 per category.

Mr. PENNY. Per category.

I don't recall that you mentioned the LVER program in your statement. Do you assign a lesser importance to that program as compared to DVOP?

Mr. COLLINS. No, sir, I do not. The DVOP and LVER programs are both very valuable to our employment services. The issue that is coming up is the impact that the sunsetting of Vietnam era legislation will have on the DVOP program. That's why I chose to focus my comments today primarily on DVOP, by no means intending to slight the value of our LVER program.

Mr. PENNY. Is it your personal view that the Bush budget submission for the LVER category and the DVOP category is insufficient?

Mr. COLLINS. Of course they will be sufficient to maintain the programs, but based upon——

Mr. PENNY. You did indicate in your testimony that you have considerable workload, et cetera, et cetera. The indication to me is that, at present staffing levels, you're stressed. With a lower staffing level, it seems to me that creates a real dilemma. It will result in less availability to the veteran population. You know, I know you have to live with the budget, but your testimony runs contrary to the budget recommendation.

Mr. COLLINS. Well, we do fully utilize and value very highly both the DVOP and LVER programs. As I mentioned earlier, it was the budgetary constraints that have simply not provided enough funds in the budget this year, or in 1991.

I might point out that there is a slight increase in funding, but the slight increase, I believe, of $1.4 million, the increase in funds for the 1991 programs, is simply not sufficient to make up for the projected additional costs that we've derived from state reports.

Mr. PENNY. We will hear testimony later today from witnesses who suggest the DVOP program be made permanent. In your opinion, is there a justification for doing that and would you be personally supportive of that legislative change?

Mr. COLLINS. Mr. Chairman, the question of long-range stabilization of the DVOP program is one I think we should carefully study. I can see a very critical future need for DVOPs well into the future, as I indicated earlier. So, based upon that, we should stabilize and——

Mr. PENNY. You see no reason to keep it on the shorter time frame, that we should stabilize the program?

Mr. COLLINS. Yes, as we perhaps broaden and define the mission of the DVOP programs, to continue to serve those hard-to-serve groups of veterans, beginning with those unserved Vietnam era and disabled veterans who still need our services, and going to other subgroups of veterans who are in need of specialized employment services.

Mr. PENNY. The Interstate Conference of Employment Security Agencies recommends that DVOPs and LVERs should be able to perform basic unemployment insurance activities for veterans where there is a single, unified, consolidated service delivery point. Do you agree that that would enhance service to veterans and would you support such a change?

Mr. COLLINS. Mr. Chairman, the issue of DVOPs and LVERs serving in unemployment insurance offices is an unsettled issue. I have no direct statement to make on it today. I have allowed a pilot test in two States, New York and New Hampshire, to give us some information that we might base a future decision on. That is strictly a pilot or demonstration.

Mr. PENNY. Do you have authority to go beyond the pilot program?

Mr. COLLINS. No, sir.

Mr. PENNY. Do you have to have legislative approval for that?

Mr. COLLINS. I consider that I do not have the authority to allow veterans employment representatives to serve in the UI offices, as I have explained to the ICESA on occasion. They have traditionally been two separate functions, both under the Department of Labor, but providing case management of unemployment insurance is very often not related to getting a veteran a job. So there are great differences that I will continue to study, and perhaps we will come to a resolution.

The facts that bring pressure upon the issue are the problems that the state managers are having in simply manning offices and doing all of the other duties that are required.

Mr. PENNY. ICESA also suggests that LVERs and DVOPs be funded on a program year rather than a Federal fiscal year basis. We do that with JTPA. Would it make sense to make this changeover in the DVOP and LVER programs?

Mr. COLLINS. Yes. I could perhaps make a more detailed response in writing, after having this question thoroughly reviewed. But on the surface, I have heard of this matter before and I do agree with it. It would simply make management for myself and my agency and the state managers much easier. So I do agree.

Mr. PENNY. I have one last question and then will defer to my ranking member.

In the Administration's budget request, funding for NVTI is short of the amount that you would need to comply with a 3-year contract that you have signed with the University of Colorado for the services provided by this center. How do you cover those costs in a 3-year contract when the budget doesn't include sufficient funding?

Mr. COLLINS. Of course, each contract will be paid for at NVTI annually, and in fiscal year 1991, the Administration request is short of funds to fully fund that year's contract. There are options which I am examining, but final decisions have been made. We're looking at a traditional assistance program for outside people coming to NVTI and various other options that will allow me to meet that contract.

Mr. PENNY. I guess that's all we can expect today, but it did jump out, that we entered into a multiyear contract and we certainly need the services of that center for training purposes. If you can't get enough money to honor the contract, it would certainly cause this committee some concern.

With that, I will turn it over to my ranking member for any questions he might have.

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Chairman.

Mr. Collins, you mentioned in your testimony on page 4 that the mission of the DVOP program needs to be evaluated. I wonder if you can elaborate on what your assessment is of the appropriate mission of the DVOP program.

Mr. COLLINS. I believe the appropriate mission of the DVOP program is basically as it has been. As mentioned in my opening comments, we still have groups of Vietnam-era veterans and disabled veterans, for which the DVOP program was originally designed, that are still being served. So that should still be their basic mission.

We have other groups of veterans who are in need in our country. For example, and running the risk of leaving someone out, we have older veterans who are needed back in the economy as we look toward the year 2000. That's perhaps an area that needs study. We have women veterans who experience very particular employment problems. And, of course, we have minority veterans who tend to be the last hired, and we need to focus our attention on those, as we are now. Also, other groups including Native Americans, and certainly a problem I'm very appalled about, those veterans of the military service who are homeless, which we have fairly reliable estimates that could be one-third of the homeless population. I think we need to do something about reversing this trend.

Those are examples of what the future and continuing use of DVOPs might be.

Mr. SMITH OF NEW JERSEY. I take it from your answer that use of DVOPS is under active review right now. When do you think something tangible might be forthcoming from that review?

Mr. COLLINS. We are very aware that the DVOP program would be severely impacted if the sunset should occur next year. So it will become very soon, within the Administration, a budgetary matter, so we will be planning our budget. At that time, of course, it will be necessary that we address or come forward with a plan, whatever the plan might be, permanent stabilization, redirection of mission, and the other things I'm alluding to when I say we should study the issues.

Mr. SMITH OF NEW JERSEY. In his testimony, Mr. Lowe makes a suggestion that the DVOP and LVER positions might be combined into a single position. I wonder if that might be part of your examination and whether or not you have any response to that.

Mr. COLLINS. That could very well be part of the plan. On the one hand, combining the DVOP and LVER programs would, in a way, make management much easier. On the other hand, I would not at this point, until we've completed our study, advocate taking DVOPs away from that particular mission that they were originally created for—outreach. The difference between the DVOP and the LVER programs is basically that DVOPs were designed just to serve the disabled and Vietnam-era veterans on an outreach basis.

Mr. SMITH OF NEW JERSEY. One final question, if I could, Mr. Chairman.

Many veterans groups maintain that the current makeup of the Advisory Committee on Veterans Employment and Training renders it somewhat ineffective due to occasional conflicts between the committee's proposals and some of its members' positions within the Administration.

Do you believe this situation creates a conflict that weakens the work and impact of the committee?

Mr. COLLINS. The value of the present Secretary's Committee on Veterans Employment and Training is good. Now, your comments about some conflicts have perhaps recently been resolved. As I mentioned in my opening statement, there seemed to be a need, as I became the new Assistant Secretary and vice-chairman of the committee, more or less in charge of the administration of the committee, that we needed to establish some very simple rules of operation, rules of meeting procedure. That having been done, I think the committee is now better prepared to not have internal organizational pushing and shoving and truly bring forth veterans employment issues to the Secretary. So I feel very comfortable when I say that I view the present structure of the committee as adequate, functional, and has and will continue to do a better job in serving the Secretary.

Mr. SMITH OF NEW JERSEY. I thank you for your testimony and for your response to the questions.

Mr. PENNY. If I might follow up on that question, the other aspect of the legislation, H.R. 4087, is the reach out to veterans prior to discharge. The bill that you requested to be introduced speaks to 90 days, and our legislation calls for 180 days. I don't recall in your testimony a specific reference of support for that longer period of time, although you did say some nice things about 4087 in that respect.

Is there a reason for the shorter time frame in your legislation and would you have a problem with the proposal that we have put forward in this committee?

Mr. COLLINS. No, Mr. Chairman. The differences in time, 180 days versus 90 days, are to me no issue.

Mr. PENNY. The main thing is to get this kind of service out there ahead of the honorable discharge.

Mr. COLLINS. Yes. The final planning of the services to be delivered and the timing of that gets much more complicated than what we're dealing with here. Whether it started at 180 days or 90 days, to me, is really not an issue.

Mr. PENNY. Thank you. I appreciate that clarification.

Unless Mrs. Patterson has any questions, we have concluded our line of questioning for this panel. However, if there are other questions that come to mind, we may submit them and ask that you return responses in writing for the committee record.

Thank you for your presentation this morning, Mr. Collins, and thanks as well to those who have joined you at the table.

Mr. COLLINS. Thank you very much, Mr. Chairman.

Mr. PENNY. Next is Mr. Jim Lowe, who chairs the Veterans Affairs Committee of the Interstate Conference of Employment Security Agencies. Jim, we call you forward to the witness table. We thank you for being with us. As with all other witnesses, your entire testimony will be included in the record. We would ask that you summarize as best you can, and we will certainly have some questions for you upon completion of your presentation.

STATEMENT OF JAMES A. LOWE, CHAIR, VETERANS' AFFAIRS COMMITTEE, INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES, AND DEPUTY COMMISSIONER, GEORGIA DEPARTMENT OF LABOR; ACCOMPANIED BY EMILY DEROCCO, VICE PRESIDENT, ICESA

Mr. LOWE. Thank you, Mr. Chairman. With me today is Miss Emily DeRocco, who is the vice president for ICESA, if that's all right.

Mr. **Penny**. Fine.

Mr. **Lowe**. Thank you.

Mr. Chairman, other members of the subcommittee, my name is James Lowe. I am chair of the Veterans' Affairs Committee of the Interstate Conference of Employment Security Agencies, or ICESA, as we're more commonly known. I serve in a full-time capacity as Deputy Commissioner of the Georgia Department of Labor.

ICESA, the organization I am representing today, is an organization of State officials who administer the Employment Service, the unemployment insurance, and labor market information programs in our 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands. We are pleased to participate in these proceedings and to present our views and concerns on the impact employment and training programs administered by the U.S. Department of Labor have on veterans.

ICESA, through its member agencies, is committed to providing efficient services to America's workers and employers. However, achieving efficiency may be somewhat akin to dieting. It has to be done sensibly, balancing all the proper elements to ensure long-term success, not just short-term reduction.

With this analogy in mind, Mr. Chairman, I would like to address several specific veteran issues, but first, I need to share with the subcommittee my thoughts on the status and condition of our Nation's primary delivery system for veterans employment, and that is, the State Employment Service, or ES agencies. As a foundation for veterans employment and training services, the ES provides veteran staff with facilities, services, and the technology necessary to perform their jobs. However, the ES system was financially drained in the 1980s, and the trend appears to be continuing into the 1990s. Without adequate resources, the Employment Service innovation, which is really the key to efficiency, will not occur.

ES, as you are well aware, is funded by a FUTA tax, a dedicated tax paid mostly by private, for-profit employers. The account for funding the ES programs—and this also includes the veterans' programs—will exceed its ceiling by $640 million at the end of this fiscal year according to the U.S. Department of Labor. The problem, as we view it, the Administration has continually sought reduced ES funding, and the Congress, while funding more than the Administration request, certainly feels constrained by the deficit and, thus, does not appropriate sufficient funds. As a result, States have been forced to appropriate millions in order to continue and maintain even the most basic ES services.

Since 1982, 16,000 Employment Service staffers, and over 700 full service offices, have been lost in our system. Automation, in some States, is simply archaic or nonexistent. Adequate funding and automation are to the ES system what proper nutrients and exercise are to sensible dieters and good health.

Now, the statutory and administrative adjustments to 38 U.S.C. 41 will, unfortunately, not totally resolve the current problems. The quality of a basic ES system will have the greatest positive impact.

In this regard, ICESA has requested $850 million for State Employment Service operations for fiscal year 1991. This is $71 million greater than the 1990 appropriation, and $127.4 million greater than the Administration's request. We are also requesting $25 million for State ES automation needs.

Now, turning to specific veterans issues, Mr. Chairman, we thank you for introducing H.R. 4087. We certainly support the provisions to assist members of the Armed Forces who are within 180 days of separation. Especially that is important today in light of the proposed downsizing of our armed services. However, we are concerned that the ES system has the ability to deliver assistance because the Administration's budget would reduce the number of LVERs and DVOPs by more than 200 staff. In this vein, we also believe consideration should be given to assisting family members to make the transition, not just the service members.

We support the extension of the definition of veterans of the Vietnam eras because many of these veterans still need Employment Service assistance.

We would, in concert with the Secretary, recommend a formal consolidation and certainly a study of the DVOP positions into one position because, whether we like it or not, the skills are similar, and there's a duplication of services in many areas which can be eliminated.

We also support a restructuring of the SCOVE to make it a more efficient body. We would recommend, however, there be the inclusion of a business representative, and also the Assistant Secretary for the Employment and Training Administration, along with the Director of the United States Employment Service, should be nonvoting members.

We recommend that item (d)(10) be expanded to allow national-based organizations with an interest in veterans employment and training, and certainly, we would be less than honest in saying we think ICESA should be a member of the SCOVE.

We believe the LVER/DVOP responsibilities should be changed to authorize the handling of UI claims for veterans, because it will prevent veterans who come into our offices from being at a disadvantage when we have a single point of contact. Also, the expansion of these duties in processing UI claims would create a case management approach to serving veterans and it would also help veterans, the DVOPs and LVERs, by broadening their skills in making them eligible for the other positions in their system.

We believe there needs to be a clarification in the term "appointment" versus "assignment" of DVOPs and LVERs, because we are at odds with the Veterans Employment and Training Service.

We also think the ASVET staff needs to devote more time to ensuring veterans receive priority services in the JTPA programs. As indicated, we think their funding should be on a program year basis.

One last item. We are concerned about the trend toward micro management by the ASVET. As an example, a recent directive on DVOP and LVER travel goes beyond what we think is the normal oversight anticipated in a grantor/grantee relationship and improperly used our name as an example in this particular draft.

Thank you, Mr. Chairman, for this opportunity. I would be most pleased to respond to any questions.

[The prepared statement of Mr. Lowe appears at p. 47.]

Mr. PENNY. Thank you for your testimony.

Mr. Collins indicated that they are still reviewing this idea of allowing DVOP and LVER personnel to be involved in unemployment insurance processing. You gave a couple of arguments in favor of doing that.

What number of veterans might fall into a category where they would be in need of both services?

Mr. LOWE. Sir, I couldn't really give you an idea without doing some research. But the problem we have, quite honestly, is a veteran coming into our offices seeking to file a claim will not be afforded any kind of preference. They will wait in line just as anyone else will have to. However, if we combine it, then we can give priority services to veterans by letting the LVERs and DVOPs take claims.

Mr. PENNY. Your point is that if they come in for unemployment insurance needs, they may be stuck waiting, whereas a DVOP specialist might be able to take them more quickly?

Mr. LOWE. Yes, sir, that's correct.

Mr. PENNY. However, the flip side of this coin is, if you have a DVOP specialist who has this ability to process unemployment insurance claims, he is going to get saddled with everybody walking in the door, too, isn't he?

Mr. LOWE. No, sir. He would only serve veterans.

Mr. PENNY. Only veterans who fall into that category. So this would then keep the priority on servicing veterans.

Mr. LOWE. That's correct.

Mr. PENNY. So we're not going to get that person in a sense plugged into the rest of the unemployment insurance staff?

Mr. LOWE. No, sir. Only veterans.

Mr. PENNY. Okay. That's helpful. I wasn't clear on that point.

You indicated that you wanted statutory staffing levels to be honored. What is your reading of the workload for these individuals? Is the statutory staffing level sufficient? You haven't recommended going beyond that. I'm just wondering whether there is a reason that you have stopped at current staffing levels.

Mr. LOWE. I really think this whole thing needs to be studied, because the mere fact there is a statutory reference that there should be so many LVERs, so many DVOPs, does not really take into consideration the fact that—For example, in my State, we have a goodly number of veterans in either Augusta or in Savannah or in Columbus who are not in the labor market. I mean, they're retired or they have other jobs. I think there has to be a look at how a formula could be developed that would be fair to all of us. That doesn't make any difference on whether it's Georgia or South Carolina, Minnesota or wherever.

Mr. PENNY. I am curious if you know the percentage of those trained at NVTI that have been ES staff. You stressed very strongly in your testimony that particularly managerial staff ought to go through that program. Do you know how many——

Mr. LOWE. No, sir, I don't in my State. But generally, I see the names of those who have been selected to go to NVTI, and most of those are LVERs or DVOPs. That's because of the turnover we have in those particular categories.

The reason I suggest there be more supervisors or managers is that the training that is received at NVTI falls on the shoulders of the people it should. However, the supervisors or managers don't have necessarily any idea of what has been said. That's why it is important that those folks have the same opportunity to hear that, because they're the ones who are going to say yes or no as to what will be implemented.

Mr. **Penny**. Okay. I have no further questions.

Mr. Ridge.

Mr. **Ridge**. Thank you.

It is my understanding that you would approve broadening the authority to permit the provision of employment assistance by LVERs or DVOPs to other family members of the primary individual being served. Is there a strict prohibition for you providing that assistance presently to other than the primary member?

Mr. **Lowe**. I think what we are addressing there, sir, is that part for the transition. It is only intended that the service member be given that assistance, whether it be an orientation or provided specific information. We think in this day and time, since most of the spouses have to work, if you have been in the service for a number of years, 2 or 3 years, you really don't know what's on the outside. It is important that both sides of the family hear what's being said. That is not really envisioned at this time. I know that's not in the TAP program.

Mr. **Ridge**. I happen to agree with you. I think the broadening of authority in that area would be productive and helpful. So I appreciate your support of that.

I know there continues to be concern that we have not satisfactorily reached out to Vietnam-era veterans, and we're going to extend that definition in this legislation for another several years. Are you in agreement that it should be done, and could you give us an idea of any feeling of those who somehow have fallen through the cracks that we've missed? Can you quantify it? Do we have any idea of why we need to extend it?

Mr. **Lowe**. Well, as chair of the Veterans' Affairs Committee for ICESA, one of the things that I have said in support of this—and this is an example. I'm a Korean veteran. I will always be a Korean veteran. I don't care of the fact I was under Public Law 550. I think the same thing is going to be for the Vietnam-era veterans. There is a need right now to serve my class.

As one who is an advocate of veterans, it just doesn't make sense to me that we don't do what we can. When you give a part of your life to the services, you are entitled to certain things. Not forever. I think there's a time where you can only go so far. But we're not anywhere near having served that group yet.

Mr. **Ridge**. That's good to hear. I guess I'm both a Vietnam-era veteran and a Vietnam veteran, and you can't take that away from me. I don't want you to take it away from me, either. I want it there on the record.

You're right. I still feel in northwestern Pennsylvania that we have an underserved Vietnam-era veteran population. The Employment Service is doing a pretty good job, but from my discussions with men and women involved, as you are, in trying to reach out and help and promote them, there is still a substantial number that need this assistance. So I appreciate your support of the extension and thank you for your testimony before the subcommittee.

Mr. **Penny**. Mrs. Patterson.

Mrs. **Patterson**. Mr. Chairman, I don't really have a lot of questions, but I tried to read over the statements that were given to us. I'm just interested in the section dealing with priority services for veterans authorized by JTPA.

I wonder, do you feel as though the veterans are underserved or are not given priority in many cases for JTPA?

Mr. **Lowe**. Both. I do not think they're given priority, nor do I think they are adequately served, nor is there anyone seeing to that.

Mrs. **Patterson**. I noticed you did testify before the Education and Labor Committee, and I'm wondering if—you or someone did——

Mr. **Lowe**. ICESA did.

Mrs. **Patterson**. I wonder if that message was strongly stated and heard. It was strongly stated, I understand, but I'm not sure it was heard.

How could we make certain that it might be heard, because I think the JTPA is a very valuable program. It has had weaknesses. If, in fact, this is one of the weaknesses that we can address and correct, then maybe it would be a more widely accepted program, especially in my part of the country.

Mr. **Lowe**. At the risk of offending the United States Department of Labor, which I don't mind doing occasionally, there are two Assistant Secretaries—the Assistant Secretary for Veterans' Employment and Training Services and the Assistant Secretary for the Employment and Training Administration—who collectively under the Secretary can handle this, if they choose to do so.

Mrs. **Patterson**. I appreciate that. I would certainly get in touch with them because I do know in our area JTPA is often criticized. If we can show that maybe we're reaching some of the goals especially to serve our veterans, maybe it will do away with some of that criticism. So I will do my best to communicate——

Mr. **Ridge**. Would the gentlelady yield?

Mrs. **Patterson**. Yes.

Mr. **Ridge**. I appreciate very much your yielding.

Has that been your experience in Georgia, or do you think you are speaking for the Interstate Conference that you represent? Is it, by and large, nationwide, where people are horribly dissatisfied with JTPA with regards to veterans preference?

Mr. **Lowe**. Only those who are really interested in veterans would be dissatisfied. There would be others who would never say anything. I don't think that's just Georgia. I think that's far beyond Georgia.

Mr. **Ridge**. I thank you for your candor and I think the gentlelady for yielding. If you want to write a letter, I'll sign it myself.

Mrs. **Patterson**. Thank you.

Mr. **Penny**. I think we will pursue this with the Education and Labor Committee, and any subcommittee members that want to join me in recommending this policy change to the committee are welcome to do so.

Miss Long.

Ms. Long. I have no questions, but I do encourage you to follow up with the Education and Labor Committee. I think this is certainly something we need to address.

Mr. Penny. We will look for your support in that letter then. Thank you very much.

Ms. Long. And thank you for your testimony and your candor.

Mr. Penny. Thank you very much, Mr. Lowe, for your testimony this morning.

Next we will hear from Mr. Thomas Hartnett, Commissioner, New York State Department of Labor. It is a pleasure to see you again, Mr. Hartnett. Your support for the veterans of New York is well known and we appreciate your testimony before our committee this morning.

Again, your testimony will be included in the record. You are free then to summarize your remarks as you wish.

STATEMENT OF THOMAS F. HARTNETT, COMMISSIONER OF LABOR, STATE OF NEW YORK; ACCOMPANIED BY RICK WEIDMAN, NEW YORK STATE VETERANS PROGRAM ADMINISTRATOR

Mr. Hartnett. Thank you, Mr. Chairman.

The gentleman to my left is Rick Weidman, who is my veterans specialist in Albany. With your permission, I would like to have Rick with me during the testimony.

My name is Tom Hartnett. I serve as the Commissioner of Labor for the State of New York. I am the first Vietnam-era veteran to have the honor of serving in this post, having been appointed in 1987 by Governor Cuomo. I appreciate the opportunity to appear here this morning to present the views of the New York State Department of Labor in regard to H.R. 4087 and the vital need to extend and strengthen the Disabled Veterans Outreach Program.

All of us working with and for veterans appreciate your leadership and that of the Chairman of the full committee, the Honorable G.V. "Sonny" Montgomery, on behalf of the special needs of America's veterans, particularly disabled veterans, for employment and training assistance. On behalf of all of us in New York, I thank you and your colleagues for your guidance and support.

It would probably be helpful if I could talk a little bit about the New York State experience and then get into the specifics of the proposed legislation.

The New York State Department of Labor's responsibilities under Federal and State laws are varied. We are responsible for such things as health and safety for employees in the public sector, collection of Federal unemployment insurance, trust fund moneys, ensuring that the minimum wage and child labor laws are both adequate and enforced, administering the two main components of the employment security system—unemployment insurance and Job Service—and, most relevant for today's discussion, the delivery of employment and training services to veterans, including unemployment insurance, job search, counseling, and access to training programs.

Over the past decade, all State employment security agencies, including the New York State Department of Labor, have faced severe reductions in funding from the Federal Government. In

1980, for instance, the New York State Department of Labor had over 11,000 employees. For the past 3 years, we have averaged slightly over 5,200 employees.

At the same time, changes in demographics and in the work force have resulted in a constituency with more varied, often more difficult needs that we are being asked to address. Take, for instance, dislocated workers, displaced homemakers, individuals with lower skill levels, disabled veterans, and older workers, all presenting unique needs.

This situation, coupled with the need to improve the way we were delivering services to our customers, has brought about some major changes in the New York State Department of Labor over the last 3 years. These changes fall under the banner of what we call Community Service Centers.

First and foremost, the community service center is "one stop" shopping for all employment-related services. It combines the Job Service and unemployment insurance offices into a single, unified office, where all staff, including LVERs and DVOPs, are cross-trained to serve the whole person. People are treated as customers and not clients, with physical surroundings all remodeled in a very professional looking manner, to show the customers whom we serve—in this case, veterans—that we care; to show the staff that are working in those offices that we care about them also and that they're involved in a noble endeavor; and to show the business community, the most important partner we have, that we are a professional organization that not only wants their business but will deliver our services in a professional way.

We have a variety of new technologies that we've implemented in these Centers to address the ever-increasing demands on our services. We have user-friendly computer technology, what we call Jobs Plus, a self-search touch computer screen where customers can seek information about employment opportunities of interest on their own without going to any of the staff. A veteran, for instance, can enter his or her military occupational specialty code and be guided through the system to appropriate civilian occupations and job openings, both locally, statewide, and indeed, nationwide. These screens also contain information on local and statewide service such as day care, counseling, veterans services, youth programs, shelter and supportive services.

We also have ancillary service providers at these centers. The concept of a Community Service Center talks about a "community" and a "center". The community, in essence, is that each Community Service Center (CSC) provides services unique to that community. In New York State, the needs of veterans are different. The opportunities that are available to veterans are different in Buffalo than perhaps they are in New York City, than as they are in perhaps Syracuse or Massena, NY. The community that we serve has an opportunity to come in, particularly the relevant players in the human resource area, have an opportunity to come in and locate with us in our Community Service Centers.

We also have other representatives from the New York State Division of Veterans Affairs present with us in the Department of Labor offices. The Job Training Partnership Council staff is present with us in our community service centers office.

A central tenet of everything that I have said thus far is that all our efforts are directed towards the common principle that we can only deliver quality service to veterans in the context of delivering quality service to all persons that come into our offices. If we improve the quality of services to all persons, and then put veterans at the front of the line, then we improve the quality of service to veterans.

We have done some other things in New York with respect to the veterans' unique needs. Our New York State Veterans Bill of Rights for employment services is aimed at enhancing services to veterans. This is an initiative that was in response to Governor Cuomo's 1988 State of the State Address, when he noted that the ability to obtain and sustain meaningful employment at a decent living wage lies at the very nexus of the readjustment process for our veterans.

The key to the Veterans Bill of Rights is to alert veterans of the services they are entitled to in a simple, clear and concise way, and then to provide a direct accountability mechanism in the form of a toll-free veterans employment hotline (an 800 telephone number) to seek redress if a veteran believes that he or she has not been accorded the full services to which they are entitled.

While much of what is contained in the Veterans Bill of Rights is either contained in chapter 41 of title 38 of the United States Code, or is just plain common sense, it is critically important to fully inform individual veterans about the services that they're entitled to. It is our belief that a lack of knowledge of benefits and entitlements often leads to the effective denial of those benefits and entitlements. Therefore, each and every person who comes into a New York State Department of Labor facility is asked, "Did you ever serve on active duty in the United States military?" If the answer is in the affirmative, then immediately they are given a Veterans Bill of Rights "wallet card" so they know that they are entitled to those basic rights. Further, we have ensured that large poster-size copies of the Veterans Bill of Rights for Employment Services are prominently displayed at each of our facilities.

A particularly important point in the New York State Veterans Bill of Rights for Employment Services is that Governor Cuomo has declared veterans, particularly Vietnam and other combat theater veterans, disabled veterans, and ethnic minority veterans to be a "special emphasis priority group" for training and other services delivered pursuant to the Job Training Partnership Act. We believe it is vitally important that veterans receive priority in access to training, and that this will lead to a job in a manner similar to the priority of service accorded in referrals to actual employment openings. On the 32 Private Industry Councils that we have around New York State, we have a veteran advocate on every one of those councils (or "P.I.C.'s"), a veteran advocate nominated by a veterans service organization. They assure that veterans receive special access to training in the deliberations of that private industry council, and we have also gone so far as to train the JTPA staff around our State to make sure they're cognizant of the special needs of veterans.

In short, we are doing our best to fulfill both the letter and spirit of the Federal statutes. We believe the New York State Veterans

Bill of Rights for Employment Services is helping to improve the level of service at all our facilities. We know this by the reduced number of complaints that we have been getting on the toll-free number that I mentioned.

In June of 1988, we had 56 calls from veterans who complained about the treatment they received in our offices, which is exactly the kind of thing we wanted to hear. We didn't want to hear 56 of them, but we wanted to hear about it. For the last 6 months, we have averaged less than three complaints per month, out of a total of about 600 calls per month received. So we think we're on the right track with that.

Another major focus of ours has been on the disabled veteran. We have instituted a number of special projects to better serve profoundly disabled veterans. The first of these is Project AMER-I-CAN, an initiative to serve blind and visually-impaired veterans. This is a cooperative program, joining with the New York State DOL and U.S. DOL, the Blinded Veterans Association, the New York State Division of Veterans Affairs, and the U.S. Department of Veterans Affairs.

In a 15-month period, we reached over 90 percent of the blind veterans in New York State, provided reportable services to more than 800, and were able to assist 32 in obtaining full-time employment. Now, 32 may not sound like a huge number, but that number exceeded the total that were placed nationally in the previous year. So we feel pretty good about that initiative with respect to blinded veterans.

We are now engaged in Operation VETERAN ASSET, to reach and serve and place veterans who are less than fully ambulatory. Three hundred and nineteen veterans are currently participating in this program and over 60 of these veterans have been placed in jobs in the last 6 months.

Let me now speak specifically to H.R. 4087. I have described what we're doing in New York to demonstrate that we have only begun to explore the potential of reaching and properly serving those veterans who are still in need. Approximately 100,000 veterans per year seek our services in New York. This program year we anticipate that we will see approximately 40,000 Vietnam-era veterans and about 8,000 disabled veterans. We are trying to do a better job of reaching and serving the disabled veterans, but this extremely labor-intensive work often requires us to go out, seek and find these vets in other locations and serve them one by one, and we are doing this. But the job is by no means finished.

I cannot stress too strongly that the Disabled Veterans Outreach Program should be continued and, indeed, in my judgment, made permanent. Without House Resolution 4087, we in New York would lose over 80 percent of the DVOPs that we currently have working now. We have about 105 right now on staff and we would lose about 88 percent of them if House Resolution 4087 is not enacted. We applaud your effort in terms of the 5-year extension, but we would urge you to consider that perhaps we ought to make the Disabled Veterans Outreach Program permanent.

Let me speak specifically to a couple of the sections in the bill. The intent of section 1 of the bill, "Employment and Training," is to make it legal for the State Employment Security Agencies and the DVOP specialists to reach members of the Armed Forces who are about to separate from service within 180 days prior to their actual departure date.

New York supports this provision. It is our belief that it is both more efficient and effective to reach persons leaving the Armed Forces prior to separation.

It is our understanding that approximately 240,000 persons leave the service each year as a result of normal attrition, and that as many as an additional 270,000 may be leaving military service as a result of the force reductions in each of the next 3 years. For New York, this means about 500 return to civilian status each week currently, and that this figure may double in the near future. We are determined to do everything we can to reach and properly serve these persons. In fact, we are already making special efforts to identify and serve veterans who will be released from their duties due to this reduction in force.

There are two important things to bear in mind here. First of all, the Workforce 2000 studies and everything that's written in this area show that our Nation is in desperate need of skilled persons in order to meet the demands of business. The shortage of skilled workers is already adversely affecting economic growth in many regions of New York State. So that's good news to have these folks come back, and it's good news to be able to provide them with all the services that we can provide. We need the absolute earliest possible notification of that, and we think the time line in the resolution is a good one.

Second, it is only right and fair that we do everything possible to assist those returning vets who are truly "dislocated workers" in that these men and women are losing their jobs through causes which are no fault of their own, but due to changes in the international situation we face as a Nation.

My only comment on section 2 of the bill is that we believe the full and frank exchange of information, ideas, and close working relationships with the organized veteran community, as well as with organized labor and business, is a helpful and healthy thing. We would be in favor of that.

On other issues, I would be remiss if I didn't at least briefly comment on a few other issues.

First, the Honorable Tom Downey of New York has introduced H.R. 3896, which would provide stable and reasonably adequate funding to the States to operate the Nation's employment security system. With some modifications, we support this initiative. I would draw your attention to the fact that this proposed legislation would also restore a full 26 weeks of unemployment compensation to separating military personnel, which we believe is only fair and just.

Second, section 2006 of chapter 41, title 38, requires that the United States Secretary of Labor request full funding for the carrying out of all provisons of this chapter. We have some cause to believe that the Office of Management and Budget is preventing the Department of Labor from carrying out this law. All of us, whether we serve as a Member of Congress, a DVOP, a local office manager, a State Commissioner of Labor, or a Director of the Office of Management and Budget, should be bound to obey the law and not act in a way that would cause others to be in arguable violation of the law.

Third, I heard several comments that you made about the National Veterans Training Institute. We think they do a terrific job. We don't think they have the resources to do everything that they need to do, not only for DVOPs and LVERs, but for other local office personnel who need that training also. Very often, the first person that a veteran will see when they come into one of our local offices is an office manager or another person who may not always be as sensitive as they need to be to those issues. We have had a lot of difficulty getting people into the NVTI training, other than DVOPs and LVERs, and we think with some additional funding NVTI would be able to train other key personnel for us and other employment security agencies around the country.

Fourth, I would like to commend Mr. James Lowe of the Georgia Department of Labor for his strong leadership for the past 2 years as chair of the ICESA Veterans Committee. I particularly would like to thank Mr. Lowe and the Honorable Tom Collins, the Assistant Secretary of Labor for Veterans' Employment and Training, for producing "Veterans: It's All We Need To Know", which we in New York are using extensively for outreach and education to business groups, veterans groups, community groups, and even in training of our own staff.

Finally, I would like to acknowledge two gentlemen that have made New York State one of the leaders in providing employment services to veterans—the gentleman on my left, Rick Weidman, who I introduced when I originally sat down, who is the New York State Veterans Program Administrator, and Jim Hartman, who is not with us today, the Director of Veterans Employment and Training for the United States Department of Labor. Not only do I consider myself fortunate to have these two committed gentlemen working in New York State, but, more importantly, the veterans who reside in or return to New York State are lucky to have these individuals working on their behalf.

Again, I wish to thank you, Mr. Chairman, for your continued strong leadership and that of this committee toward improving the quality and the quantity of employment and training services to our Nation's veterans. We strongly support House Resolution 4087 and urge speedy passage by both the House of Representatives and the United States Senate, so that we can be assured of full and proper funding in fiscal year 1992.

I would be happy to answer any questions you have at this point.

[The prepared statement of Mr. Hartnett appears at p. 60.]

Mr. **Penny**. Thank you, Mr. Hartnett, for your testimony.

First of all, I appreciate your words of support for the provisions of H.R. 4087. We feel strongly about the need for the legislation and appreciate your indications of support for the various provisions of that bill.

You indicated the virtual impossibility of plugging Employment Service staff into the training program at Colorado. What is the limitation there? Is it that you've only received enough funding to take care of DVOP and LVER personnel within your State, or is there some directive from the Department that makes it difficult for you to go beyond the veterans employment personnel into the Employment Service category?

Mr. Hartnett. I don't know if there's a directive. We have proposed office managers, regional directors, people who would be very important to have their sensitivity on some of these issues raised, and we have never been able to——

Mr. Penny. Proposed them to what, the regional office of DOL? Is it the regional office that makes the determination?

Mr. Hartnett. I'm not sure of the mechanics of it.

Mr. Weidman. The applications are on file, Mr. Chairman, with the NVTI. There are over 200 pending——

Mr. Hartnett. Oh, you've made application to the NVTI directly?

Mr. Weidman. They mix each class according to gender, ethnicity, et cetera, and veterans status. Then they notify us as to who is accepted. But we have over 200 pending applications from——

Mr. Penny. So the allocation is not made to New York State, and no guarantees are made to you about the number of slots you can send to the school on a year-to-year basis. You just send applications for those people in your department that you feel would benefit from the training and then you wait to see which applications have been approved; is that correct?

Mr. Weidman. That's correct, Mr. Chairman. They reduced it to one basic course per month now, one section, which in our view is not even enough to take care of attrition among DVOPs and LVERs across the country. If I had to take a guess——

Mr. Penny. How have you done within New York in terms of getting the necessary training for your DVOPs and LVERs? Have you fallen short in terms of plugging enough of them into the program? You said nationwide. Do you think the slots available are not sufficient within New York? Have you found that the slots available to your State have not been sufficient to train all of your new personnel in those two categories?

Mr. Weidman. Our folks have to be on 6 months as a DVOP or LVER before you can apply, Mr. Chairman. Over 90 percent of our DVOPs and LVERs have been to NVTI. The problem is that there are many other important people from the veterans priority service. Probably the two most important people in the local office in terms of delivery of priority service is the local office manager, who sets the tone, and if he or she wants it to happen—than it will—and the other most important person is the first person who talks to a vet. That can be anybody else in the office, Certainly the employment counselors.

Mr. Penny. What success have you had in terms of office managers being accepted at the Training Institute? Any at all?

Mr. Weidman. I think we've had about a dozen over the last——

Mr. Penny. About a dozen out of a population of how many that you have recommended?

Mr. Weidman. One-hundred and eighty managers and 160 employment counselors.

Mr. Penny. So the percentages are quite low?

Mr. Weidman. Yes, sir.

Mr. Penny. Is the solution to this—You know, clearly it takes more funding to train more people. Our first priority ought to be

DVOPs and LVERs, but we're not placing any priority, it appears to me, on office managers. It seems to me that after you take care of the people that are most directly involved with the veteran, the office manager is probably the next category that ought to have some funding priority.

Mr. **Weidman**. That's correct.

Mr. **Penny**. You're "one stop" service centers, there are lots of programs that are colocated with you in that situation. Can you explain to me again what other types of services are handled at these sites?

Mr. **Hartnett**. What we do in a particular area is to go into that area and find out who the relevant players are in the whole Human Resource area. For instance, in our Buffalo community service center, the Niagara Community College offers a whole lot of different kinds of training, some of it JTPA funded, some of it funded through other means.

We found that our local office would often be referring people to Niagara Community College to participate in some of that training. So what we did was, when we put up our Community Service Center, we went out to Niagara Community College and said, "Listen, we'll try and schedule our people that we think might be interested in your training for a Wednesday, Thursday and Friday for visits to our office. Would you be willing to send the person to be present in our office on Wednesday, Thursday and Friday?" So we provide them with a desk, kind of an office space, telephone and the like. They come in and are located with us. So when we see someone who comes on line, one of our lines, although we like to think that we have really minimized the need for lines—we try and move people through as quickly as possible—we refer them right over to the Niagara Community College.

The displaced homemaker programs, veterans programs in the particular community, come in and locate in our premises, in some cases 5 days a week, in other cases, 2 or 3 days a week. What we try and do is slot our client load in a way that allows us to have those people that want to utilize those services (present on those days.)

Mr. **Penny**. Is this colocation of services primarily tied to employment and training programs, or do you have other programs, like low income housing——

Mr. **Hartnett**. We have a lot of information about other services, some of which are present and some where we have printed materials. One of the concepts I talked about before the "Touch Screen" computer information that we have provides a lot of information on day care, for instance, because we find that a lot of the people that we see are very interested in getting back into the job market but there are certain barriers that they have to get over. One of them is finding out about the availability of day care. So we have a lot of information about that.

Mr. **Penny**. Do your DVOPs handle only veterans as it pertains to unemployment insurance claims?

Mr. **Hartnett**. That's correct.

Mr. **Penny**. And following the response of the previous witness on this question, can you give us examples of the timeliness of service for veterans as compared to the time they may have waited if they were in line for an unemployment insurance rep to take and process their claim?

Mr. **Hartnett**. I'm going to ask Rick to address that. I would suspect that much of what we have on that would be anecdotal as opposed to any hard and fast numbers. We feel like the services they are receiving they receive in a quicker, more efficient fashion. The whole concept of "one stop" shopping is to minimize the number of people you have to see when you come into one of our offices. What we do, when a vet comes in and wants to talk about a particular issue, and if that issue has to do with unemployment insurance, they should not have to be pushed, shoved or——

Mr. **Penny**. Not go from one office to the next, talking to two or three different——

Mr. **Hartnett**. Or even one desk to the next.

Before I ask Rick to address that, I just want to add that the priority of service that DVOPs and LVERs deliver to veterans, we have a computerized system that we can check on a daily basis to make sure that DVOPs and LVERs are only working on veterans' activities. So the DVOP would only be working on an unemployment insurance claim, for instance, of a veteran, as a safeguard to make sure that people are just working on those issues.

Mr. **Weidman**. In terms of priority service, the heaviest walk-in traffic—and this is true all around the country, Mr. Chairman—for both Job Service and unemployment insurance, is generally on Mondays and on Tuesday mornings. It is not unusual to have a long wait any place in the country, on those days.

Where we have a consolidated unified service center, or Community Service Center, we set up separate veterans lines on those 2 days. You only have to see one person to both register for the Job Service and file your unemployment insurance claim. It moves along a lot faster.

If we couldn't take claims, then the vets would quite literally have to wait in two lines, which by definition would not be priority service, whereas nonvets would not have to wait in two lines.

Mr. **Penny**. Thank you. I appreciate that.

I was also interested in your comments about the project AMER-I-CAN. Can you refresh my memory as to the number of blinded vets contacted, the percent of the total population that you feel you have reached, and I think you also gave a statistic as to the number that enrolled to receive services, and then you ended up with 32 that were placed in some employment setting.

Can you give me those numbers again?

Mr. **Hartnett**. I can give you the last number first, which was placed in employment, 32——

Mr. **Penny**. I pulled it out. The paragraph is on page 6. I found it now. In the 15-month period, you reached over 90 percent of the blind veterans in New York State, provided reportable services to more than 800, and were able to assist 32 in obtaining full-time employment. But I don't see the number of veterans that you actually reached.

I assume that the 800 number that received services is less than the total number that you——

Mr. **Hartnett**. The number that we reached?

Mr. **Penny**. Yes.

Mr. **Hartnett**. Eighteen hundred blinded vets, and we reached 1,600.

Mr. **Penny**. You reached 1,600. Of those 1,600, how many were already fully employed, do you know?

Mr. **Weidman**. Almost none, Mr. Chairman.

Mr. **Penny**. Almost none?

Mr. **Weidman**. Right.

Mr. **Penny**. That's shocking, that of 1,600 blinded vets, virtually none of them were fully employed.

What was it about the 800 that distinguished them from the other 800 who did not access services from your program?

Mr. **Weidman**. It was primarily age, Mr. Chairman.

Mr. **Penny**. So you're talking older vets that were no longer in a job search mode?

Mr. **Weidman**. Basically, yes. Glaucoma, diabetes, et cetera.

Mr. **Penny**. Now, of the 800 that you provided services for, were they all interested in job placement?

Mr. **Weidman**. Not all of them, no, sir. In fact, we literally had to go out to people's houses in many cases because they wouldn't answer the telephone. We personally saw that many people. So it was a very "hands on" kind of a project. For a lot of folks, it was the first time that anybody from the Government had ever actually——

Mr. **Penny**. —suggested that they might be able to benefit from employment training and job placement? Or services period. I mean, we were able to straighten out people's claims for blind annuity programs in the State of New York, get people matched up with the right person in the VA for the VIST program, or with the VA regional office to straighten out their payments of service-connected disability or non-service connected pensions, et cetera.

Mr. **Penny**. Of the 800, how many of them would you estimate benefited in terms of some additional Government assistance payment, income assistance, due to your intervention?

Mr. **Weidman**. Better than half of those, sir.

Mr. **Penny**. Better than half of those would have seen an improved income support payment from either the State or the national government based on your intervention?

Mr. **Weidman**. That's correct.

Mr. **Penny**. What are the prospects for placing even more of these veterans in full-time employment?

Mr. **Weidman**. We placed about 19 last year. In 1988 and the first part of 1989, we placed 32 in that 15-month period. In the subsequent 12 months we placed 19, as I recall. And it's happening right along. We work closely with the VA Visually-Impaired Service Teams, of which there are five located at VA hospitals around the State of New York. In continuing to service these blind veterans, we figure we will place somewhere between 15 and 20 a year.

It takes a lot of encouragement, quite bluntly, for folks to reenter the labor market after such a profound physical disability. But we regard it as the crux of our mission, Mr. Chairman.

Mr. **Penny**. I appreciate what you've done in that regard. Again, it is somewhat disconcerting to me that blinded veterans have been placed in a situation where these types of job training and job search efforts were not evidently even considered at the time of their initial discharge. And while for many of them maybe the only alternative is to receive disability payments, and hopefully for them it's sufficient to live on, but it seems to me that we've really lost as a society an awful lot of potential here by allowing such a higher percentage of these blinded vets to draw disability and not to contribute in the workplace, where I'm sure many of them have talents that would be quite important to employers and to society as a whole.

So again, I congratulate you for what you've done. I think it's an example for us here in the Congress and for other States to follow.

Those buzzers and lights mean that we do have a vote up on the House floor. I don't know exactly how long this will take. But it would be my intent to dismiss you, Mr. Hartnett, and your colleague. I thank you again for your presence and your testimony. I will call the last two panels for their presentations as soon as I am able to return from this vote.

We will stand in recess.

[Whereupon, the subcommittee was in recess.]

Mr. PENNY. The committee is in order.

Our next panel is comprised of Mr. Tom Ryan of the Non Commissioned Officers Association; Mr. Robert Manhan of the VFW; and Mr. Paul Egan of Vietnam Veterans of America. Would the three of you please come forward. Again, your entire testimony will be submitted for the record and you may summarize your remarks.

Mr. Ryan, we will begin with you.

STATEMENT OF THOMAS L. RYAN, DIRECTOR OF STATE VETERANS AFFAIRS, NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

Mr. RYAN. Mr. Chairman, I am Tom Ryan of the Non Commissioned Officers Association. We want to thank you and the other members of the committee for providing the Non Commissioned Officers Association this opportunity to come to you today and to discuss what we contend are issues of primary importance to veterans and those who will be veterans in the future.

The Non Commissioned Officers Association has been in the forefront of providing employment services to veterans for about 16 years. We run job fairs around the world for service members who are getting out of the service and for veterans, and have employment workshops for those people at posts, camps and stations around the world.

It is our belief that, should the Department of Defense undergo the size reduction we hear them speaking about over the next 5 years, that the current system is ill-prepared to provide the types of employment assistance that large numbers of exiting service members will need. We are concerned that there are a number of programs being tested, formulated and developed which may not be mutually supporting, and that the time line to establish viable programs to assist these service members is much too long.

In view of the above, we are asking you to consider a shortening of the Department of Labor tests presently being implemented so that it will be on line and operating at the earliest possible date.

As currently envisioned, DOL is to run a 2-year test program. We expect that in the next 2 years as many as 600,000 to 800,000 military personnel may be separated from active duty. The ASVET is aware of our concerns in this area and recognizes the urgency of the situation.

Mr. Chairman, we ask your support in assuring that the Department of Labor, the Department of Defense, and the Department of Veterans Affairs are provided with adequate resources to accomplish the development of transition programs which will meet the needs of exiting service members at the earliest possible date.

We are also concerned that the Congress continues to develop employment programs for veterans based on periods of service. It is our contention that when an individual serves may not be as important as occupational specialty or whether a particular skill is transferable to the civilian job market. The current narrow parameters under which JTPA and other veterans employment programs are established makes it extremely difficult for field agencies to operate effectively, since there is little leeway or discretionary latitude in deciding who is eligible for what program.

At times, it appears that when these programs were developed the issue was who to exclude rather than who to include. Mr. Chairman, we urge the committee to seek ways to expand eligibility in all veterans employment programs where the veteran would benefit by participation. Of course, we all agree that programs are needed to assist those who are rendered physically disabled during their military service, and we ask that these programs be continued and enhanced.

We are pleased to note that DOD, DOL and DVA are all about to sign on to a cooperative effort to solve some of the problems associated with veterans employment. We consider that a step in the right direction. We also applaud the ASVET's willingness to explore the development of a national veterans employment policy. At the same time, we are concerned that appropriate funding levels for DVOPs and LVERs were not requested by the Secretary of Labor, and that has been discussed earlier.

While we understand this committee is not responsible for the laws associated with unemployment compensation, we would agree with ICESA that veterans are treated differently, that a 4-week waiting period, when it was established 10 years ago, might have been the thing today. Today, some 60 percent of the first-termers coming out of the service are doing so with families. To ask a family to wait 4 weeks before they can eat or find a place to live is tragic. We think also that veterans ought to be allowed the same rights that all other Americans have, and that is, the ability to collect UCX in excess of 13 weeks.

Mr. Chairman, we ask that the members of the committee support H.R. 3896, which is sponsored by Representative Downy, which corrects these deficiencies. We support the current move to expand responsibilities of the LVERs to include UCX processing. This will afford the veteran one stop processing and will facilitate better case management within the employment office itself.

That concludes my oral statement, Mr. Chairman, and I will answer any questions that you might have.

[The prepared statement of Mr. Ryan appears at p. 70.]

Mr. **Penny**. Thank you, Mr. Ryan.

Mr. Manhan.

STATEMENT OF ROBERT MANHAN, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. **Manhan**. Thank you very much, Mr. Chairman, for asking the VFW to participate in your hearing this afternoon.

The VFW strongly supports H.R. 4087. We believe it is absolutely essential to extend the sunset or the delimiting date by 5 years, to December, 1996. The second advantage to the bill is that it will allow active duty personnel who are within 6 months of returning to civilian life to participate in those programs currently outlined in chapters 41 and 42 of title 38. We very much like the 180-day period. I will go into that if it comes up in questions and answers.

We also like the idea that the Secretary of Labor's Committee on Veteran Employment be extended to the new committee that takes on a training requirement, and we like the idea of that annual assessment report to evaluate the immediate employment and training progress made. We ask the subcommittee chairman to consider the advantage of also assigning the Assistant Secretary of Labor, Employment and Training Administration, as an ex officio member of this new committee. It would reinforce the second reporting requirement that is outlined in the bill, and I quote: " . . . an evaluation of the extent to which the programs and activities of the Department of Labor are meeting such needs." You're asking for an entire Department of Labor evaluation, and I think this might help.

Now we will discuss only those current programs of chapter 41 that may be adversely affected in fiscal year 1991. Generally speaking, we notice that the National Veterans Employment and Training Service Institute is very much underfunded in the Department of Labor's fiscal year 1991 budget. We ask Congress to appropriate the full $2.7 million, with the University of Colorado so a total of approximately 1,800 to 2,000 people can be trained. The keys to this training, of course, are the DVOP and LVER personnel, or specialists.

Now, in discussing the DVOPs and LVERs, we would like Congress to fully fund both these authorizations at their present formula levels. That would mean that Congress would have to authorize the Department of Labor an additional $6,600,000 to fully fund the DVOP at 1,883 personnel, and in the LVER field, Congress would have to appropriate an additional $6,300,000 to allow that agency to be staffed at 1,600 workers.

Our only comments regarding the Job Training Partnership Act is that it is not working very well and that it is not really adequately funded, for many of the reasons already discussed in our submitted statement. However, I will reemphasize four suggestions that we have to make it a more viable program.

The first is to provide temporary income support during training and/or retraining for veterans engaged or involved in title IV-C. Second, to mandate preferential services for veterans in all programs authorized by the Economic Dislocation and Worker Adjustment Assistance Act. Third, we suggest that participating States should be required to submit their proposal at the beginning of each contract program period for what services they will provide to veterans and what their estimated cost will be, and to follow up at the end of the contracting period with a summary report of what monies were actually spent and what veteran assistance was actually rendered. And last, we urge that the governors of each State accepting title IV-C funds appoint veteran service organization representation on all State Job Coordination Councils and local Private Industry Councils.

Thank you, Mr. Chairman. This concludes our statement.

[The prepared statement of Mr. Manhan appears at p. 73.]

Mr. PENNY. Thank you, Mr. Manhan.

Paul?

STATEMENT OF PAUL S. EGAN, LEGISLATIVE DIRECTOR, VIETNAM VETERANS OF AMERICA, INC.

Mr. EGAN. Thank you, Mr. Chairman.

For the most part, I will confine my summary of the Vietnam Veterans of America to the contents of your legislation, H.R. 4087.

First of all, in authorizing that LVERs and DVOPs be permitted to provide service to military personnel, it is well that that should be included in this legislation. It is no mystery to anybody that, with the imminent demobilization, we're going to see a rather large hemorrhage from the military services of people who are going to flood the job market, as well as flooding just about every program that is available for providing services in efforts to find employment. However, I think it's important to note that the Job Service alone and that the DVOPs and LVERs alone are not going to be sufficient to meet demands. That being so, it seems important that we begin to look at all the different areas, all the different resources that might be available in assisting these veterans who are about to be released.

One way to do that might be to revise the formula for DVOPs and LVERs in a way that, at least for an interim period of time, takes into account the numbers of recently-separated veterans as a result of demobilization in local populations. I think that would go some distance towards helping the Job Service do its job.

Another possible suggestion, which you have already heard today, would involve targeting not only Vietnam era and disabled veterans in title III and elsewhere of the Job Training Partnership Act, but also targeting recently-separated individuals as well. If by definition someone is discharged from the military because it's for the good of the military, it is hard to deny that these individuals aren't classically dislocated workers.

Another final resource that might be called upon to divert some of the demand on the Job Service would be to take a look at the Montgomery GI bill. I have to believe that there are a lot of people who joined the service responding to the TV ads, "Be all you can be", going in the military because of the advantages of the GI bill, but who aren't going to be able to accumulate the full benefit that would have been accumulated if they stayed in the military as long as they originally intended.

If they're leaving the military services early because it's for the good of the service, perhaps we ought to enhance the benefits available so that they can at least take advantage of the full amount of the benefit—and this, of course, only if they were originally enrolled—that they would have obtained had they stayed in the military for the full period they intended.

With regard to the statute of limitations on the Vietnam era in the bill, it is also well that it has been extended for 5 years. We would have preferred to see a way to eliminate the so-called "drop dead" date altogether. But it is also important that in your legislation you have had the foresight to include not only the DVOPs and the LVERs but also the prohibition against discrimination by Federal contractors against Vietnam-era veterans. The Senate legislation that is currently pending wouldn't include section 2012 of title 38, as your bill would.

In this connection, I think it is important to note that provisions of the law that prevent discrimination against Vietnam veterans by Federal contractors are usually characterized as laws to provide affirmative action in employment advancement and employment for veterans. But that really isn't the case because there isn't any enforcement mechanism. Really, all it's limited to is prevention of discrimination. Unless and until we put in place the goals and timetables with which we can actually score compliance on the part of Federal contractors, that part of the law isn't really going to be anything more than discrimination prevention. But protecting this program under your legislation is important nonetheless, even if nothing is done to add to the goals and timetables.

Finally, the reconstruction of the Secretary's Committee on Veterans Employment is very important. At the last meeting of that committee there was a motion on the table to simply advise the Secretary that the Department might have been in violation of the law for having failed to ask for sufficient resources to cover the statutorily mandated number of LVERs and DVOPs. From there things deteriorated precipitously because there were so many people who would have been forced to cast votes in opposition to the Administration's program. Clearly, this committee can't operate as an advisory committee if it is hamstrung in that way. So reconstituting the committee so that it can truly be an advisory committee is very important and certainly will be worthwhile.

Finally, Mr. Chairman, apart from the bill, the testimony we have heard this afternoon is very informative, particularly from Jim Lowe of Georgia. In his testimony there is only one thing that I can think of that we take strong exception to, and that is the concept of amalgamating DVOPs and LVERs into one kind of position. I think that would be an invitation to a reduction in personnel and perhaps an invitation to providing less services, depending on the State, for veterans. That being so, I think it's a bit premature to suggest that the role each of those two positions plays is duplicative, even if it is a little difficult to manage.

[The prepared statement of Mr. Egan appears at p. 79.]

Mr. PENNY. Thank you, Mr. Egan. I thank all of you for your testimony.

I don't have any questions of this panel, but I appreciate your presentations. To the degree you didn't cover all the items in your written remarks, I have reviewed your written remarks as well and will keep those ideas and suggestions in mind as we develop our legislation.

Mr. Evans may have some questions, but I'm going to ask that, if he does, he present his questions to you from the Chairman's location. I have an Agriculture subcommittee caucus that I have to participate in, so I will let Mr. Evans conclude the hearing here this morning.

Mr. **Evans** (Presiding). I don't really have any questions, either, for the panel.

I would like to say, in response to Mr. Egan's comments about these Armed Forces personnel that may be discharged before their normal enlistment ends because of potential cutbacks in the Defense Department budget, the Chairman of the full Committee and myself are also on the Armed Services Committee and it is something that we are hearing from other groups. I know, for example, the Non Commissioned Officers Association testified at their annual hearing on this same issue.

So, looking at a variety of things, I think some outside of the jurisdiction of this committee, in terms of perhaps severance pay for particularly enlisted people in the Armed Forces—and perhaps some of them will be NCOs and senior NCOs—as well as redefining and making people eligible for Montgomery GI bill benefits, I think is something we'll be taking a real close look at. So I appreciate you reemphasizing that today and thank the panel for their testimony.

Our final panel will include John Bollinger of the Paralyzed Veterans of America, who is doing quite well. In the PSAs that I see Illinois is carrying back home, on behalf not only of PVA but of all the veterans of our country, it is helping us to present a good image. James Hubbard represents The American Legion, which I am proud to be a member of, and my good friend, one of my first helpers when I first came to the committee, Ron Drach of the Disabled American Veterans.

As you know, we will include your entire statement in the record. We will start with Mr. Bollinger.

STATEMENT OF JOHN C. BOLLINGER, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Mr. **Bollinger**. Thank you very much, Mr. Chairman. Thank you for your kind remarks there.

We appreciate the opportunity to testify today concerning the training and employment of disabled veterans. For the members of PVA, these programs and the degree to which they're successful take on special significance. As you know, individuals who have severe disabilities often require complex and extensive assistance in order to return to the status of productive wage earners. The existence of viable training and employment programs, therefore, remains extremely important to our organization.

In addition to receiving counseling, training and employment services, severely disabled veterans must often overcome both attitudinal and physical barriers. There can be many roadblocks, but through oversight and the enactment and proper implementation of your proposals, we can live and work in a better society.

Over the years, counseling services, training and employment opportunities for veterans has proven to be beneficial for the Government, the private sector, and especially the disadvantaged individual needing assistance and job placement.

As has been mentioned several times today, the DOD will greatly reduce the personnel strength of the Armed Forces over the next several years. It is most important, therefore, to get a head start and provide employment and training information services to individuals who are approaching their estimated discharge dates. The bill would accomplish this and we believe it's an excellent initiative.

PVA is pleased to support the balance of the bill as well. We believe it is a good idea to extend the authority for the Department of Labor to administer this program through the existing veterans employment and training programs that coordinate the DVOPs and LVERs. In addition, we support the extension of the termination date for these programs from 1991 to 1996.

We are very concerned about the cutbacks in funding for the DVOP and LVER programs as proposed in the Administration's budget for fiscal year 1991. It certainly indicates to us that the matter of veterans employment and training is not a high priority there. Such cutbacks and inconsistent funding have taken and will take a heavy toll on programs designed to help disabled veterans. Collectively, these programs, including the Job Training Partnership Act, Targeted Jobs Tax Credit and VA's voc rehab program, must provide spirited and innovative assistance in helping restore disabled veterans to the work force.

In fact, a very low percentage of severely disabled veterans are actually employed. Such veterans are much less likely to be employed than their nondisabled or less severely disabled counterparts. We don't believe it has to be that way. Enforcement of affirmative action in the private sector appears to fall far short of what is needed. We are hopeful that through your oversight of these programs and through your continued efforts to improve them legislatively, as well as through the efforts of the agencies involved, we will see more disabled veterans in the roll of productive workers.

[The prepared statement of Mr. Bollinger appears at p. 83.]

Mr. Evans. Thank you, John.

Mr. Hubbard.

STATEMENT OF JAMES B. HUBBARD, DIRECTOR, NATIONAL ECONOMIC COMMISSION, THE AMERICAN LEGION

Mr. Hubbard. Thank you, Mr. Chairman. The hour is late and I will be very brief here, with the understanding that my entire statement will be placed in the record.

Mr. Evans. Without objection, so ordered.

Mr. Hubbard. We are pleased to be here to represent our 3.1 million members, Mr. Chairman, with respect to the delimiting date of December 31, 1991. While the extension proposed in the legislation will provide us with some breathing room, in the final analysis we believe it needs to be made a permanent program. Eliminate the delimiting date.

We are examining within the Legion some creative ways to do this, and we will get back to the subcommittee with a proposal some time in the future.

With regard to transition assistance to those people who will be separating from the military within 180 days, that is a positive program, but as everybody else here today has said, with the demobilization that we're facing, it needs to be expanded, and soon. We can no longer afford a pilot program because, by the time the pilot is over, the demobilization, we fear, will have already occurred.

Reorganization of the Secretary's committee is a positive step. The approach taken in the legislation is positive and we support it, with one caveat. There is a requirement for the Secretary to pay travel costs for members of the committee. There is a requirement that the Veterans Employment and Training Service provide staff to the committee. Given those requirements, it needs to be funded. We would urge your support and the support of the members of the subcommittee for proper funding to take care of those two tasks.

Title IV-C of JTPA doesn't work for veterans. There's not enough money in it. The paperwork burden on the States is too onerous. The result of that is that nine States this year are not participating in the program.

Titles II-A and III of JTPA may work for veterans. There was an estimate I heard earlier of $150 million, but nobody really knows because nobody counts.

Mr. Chairman, I will stop at that point and turn it over to Mr. Drach.

[The prepared statement of Mr. Hubbard appears at p. 85.]

Mr. **Evans**. All right. Thank you.

Mr. Drach.

STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. **Drach**. Thank you, Mr. Chairman. I also would like to thank you for your kind words as I was approaching the table. I, too, will try to be brief and highlight a few of the areas that are in my prepared testimony.

There are a couple of things that I would like to mention at the outset. It's kind of interesting that, in recent memory—actually, I'll go back 15 years—I can't recall the Department of Labor supporting or initiating or requesting the initiation of very much legislation for veterans employment and training programs.

One of the things that Mr. Collins recommended just a little while ago was perhaps changing the threshold for affirmative action purposes. So his one recommendation is to take something away, however minimal it may be, from veterans, rather than improving the program. We're not convinced that raising that threshold is going to improve the program. I will discuss that section of law in a few seconds.

The other thing I would like to make a comment on is the restructuring of the Secretary's committee. Mr. Collins also mentioned, as I recall—and I may be misquoting a little bit—but as I recall, he said basically that the committee was functioning very adequately.

Well, I have served on several advisory committees within the Executive branch over the last 15 years, one of which I currently serve as chairman with the VA on rehabilitation, and we meet three times a year for two, two-and-a-half days at a time. The Secretary's current committee meets quarterly for two hours at a time. That is totally inadequate to bring the issues that need to be brought forth to the Secretary's attention.

Also, I would like the record to reflect that Secretary Dole, since she's been Secretary of Labor, has never been to one of those meetings, though she is the chair. Her immediate predecessor, Secretary McLaughlin, also has never been to a meeting. Secretary Brock, when he was Secretary, attended most of the meetings to open the meetings, and then he left after 5 or 10 minutes. So we believe, to make this a truly advisory committee, it has to be structured in a fashion similar to the other advisory committees.

I would like to talk briefly about the budget. The current law requires that the Secretary request a budget adequate to fund a certain number of DVOPs and LVERs. This current budget request for fiscal year 1991 falls short of that mandate by a total of 288 positions. The law also requires the Department of Labor to provide the maximum of employment services. We don't think they can provide that maximum of employment services with such a reduction in staffing.

I do appreciate the fact that Mr. Collins and Secretary Dole have identified disabled veterans as a priority target within this Administration. Secretary Dole, internally, partially in response to the previous hearings on the affirmative action program, has issued two memoranda to the field indicating her desire that disabled veterans be looked at and be brought into the labor force within the Department of Labor, which is somewhat outside the purview of this hearing, but I do commend her for that step and look forward to working with her on that issue.

Section 2012, which is the area we talked about on affirmative action, and the threshold amount of the contract, I think that issue is of such importance that maybe the committee should consider having a separate oversight on just what OFCCP is doing. As you recall, in the early Eighties, that was a subject of much discussion regarding their programs.

I say that for two reasons. One, I don't think they're doing much for veterans, and second, I recently read—and elaborated on in my testimony—that OFCCP is targeting its resources to the Executive order program, Executive Order 11246. That information appears on page 9. If they're focusing their resources on the Executive order, what is happening to the veterans' program? What has been happening for the last 15 years? Not very much.

The only positive thing that I see in that is that the staff of Mr. Collins' office meets with the Director of OFCCP weekly to discuss some of these issues. That is positive. But we need to see some real changes made.

With that in mind, I am also making some recommended changes to section 2012 that would require legislative action. One, that the term "employment emphasis" be amended to say "employment preference". Recipients of Federal financial assistance need to be added in addition to Federal contractors. The VETS-100 form, which is the report that contractors file right now with the Department of Labor, needs to be used as a compliance and an enforcement tool. Right now it's being used to identify Federal contractors. It's too late to be identifying Federal contractors. It's time that we started enforcing the law.

I am also suggesting a legislative recommendation to section 2013 of title 38. We have given up just about all hope of getting JTPA amended. We're recommending that section 2013 be amended to provide for priority of employment services for veterans in all employment and training programs, including but not limited to JTPA.

Senator Daschle's office called yesterday and indicated that Senator Daschle was interested in offering an amendment on the Senate side to the JTPA bill and was told they are not going to entertain such an amendment because veterans already have preference in the Federal sector and, therefore, they don't need preference in JTPA. Senator Daschle has asked us to provide them some information regarding why preference or priority of services is needed in JTPA and how the two differ significantly. Regrettably, the Senate Committee on Labor and Human Resources doesn't understand the difference between Federal sector employment and employment services provided to JTPA.

With that, Mr. Chairman, I will stop and be happy to answer any questions you may have. Thank you.

[The prepared statement of Mr. Drach appears at p. 87.]

Mr. EVANS. Thank you.

I would like to focus just a few questions on chapter 2012. First of all, Ron, you mentioned—and I think I read—that you thought affirmative action ought to be extended to those who receive Federal assistance. Are you speaking like grants——

Mr. DRACH. Grantees, yes, sir. Colleges, universities, hospitals. It would also——

Mr. EVANS. Nonprofit associations?

Mr. DRACH. Nonprofit associations. It would also be extended to States. States get Federal financial assistance through FUTA dollars.

Mr. EVANS. Okay.

How should we put more teeth into enforcing Federal contract compliance? What do we need to do? Do we have to do it more on the Federal level, or should we give legal recourse to the veterans themselves?

Mr. DRACH. I think part of the problem lies within the fact that the veteran has no real legal recourse. Right now, the veteran really doesn't have any say so in the case. He or she files a complaint; the complaint is "investigated" by the OFCCP area office level. They make a recommendation to the regional director's office. The regional director's office issues a decision. If the veteran is unhappy with that decision, the veteran may file a request for review by the Director of OFCCP.

No where in that process does the veteran get his or her day in court, so to speak. They interview the veteran to get his or her side of the story, but that's as far as it goes. There is no one-on-one confrontation between the complainant and the employer who made the alleged discriminatory act.

Mr. **Evans**. So you suggest maybe some kind of legal recourse, like a person has——

Mr. **Drach**. Private right of action.

Mr. **Evans**. Private right of action. And maybe we could perhaps give the Federal Government a year or six months to act on it, that there be a level of administrative review or at least——

Mr. **Drach**. Yes, similar to—EEOC right now operates where, if they don't resolve it within 180 days, you go to court. I haven't given too much thought to the administrative area as much as I have the fact remains right now that the decision to go to court lies with OFCCP. If OFCCP believes that you do not have a good case, that's it. You have no further recourse.

Mr. **Evans**. It just seems to me we should extend the same kind of right that EEOC complainants have.

Mr. **Drach**. It makes sense.

Mr. **Evans**. Mr. Hubbard, do you have any comments on that?

Mr. **Hubbard**. I would agree with that approach. Under EEOC, there are certain options open to the complainant, and those same options certainly ought to be open to the veteran complaining about his or her rights under this section of the law.

Mr. **Evans**. Mr. Bollinger?

Mr. **Bollinger**. I have no further comment, but I certainly agree with my colleagues.

Mr. **Evans**. Okay. That's really all the questions I have. I appreciate you coming and staying so long and being part of the hearing today. Thank you all very much.

With that, we will now conclude the hearing.

[Whereupon, at 3:50 p.m., the subcommittee was adjourned.]

APPENDIX

101st CONGRESS
2d Session

H. R. 4087

To amend title 38, United States Code, with respect to employment and training programs for veterans.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 22, 1990

Mr. PENNY (for himself and Mr. SMITH of New Jersey) introduced the following bill; which was referred to the Committee on Veterans' Affairs

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A BILL

To amend title 38, United States Code, with respect to employment and training programs for veterans.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EMPLOYMENT AND TRAINING.

(a) DUTIES OF DISABLED VETERANS' OUTREACH PROGRAM SPECIALISTS.—(1) Section 2003A(b)(1) of title 38, United States Code, is amended—

(A) in the material preceding subparagraph (A), by striking out "eligible veterans," and inserting in lieu thereof "eligible veterans and members of the Armed Forces described in subsection (c)(11) of this section,";

(B) in subparagraph (A), by striking out "of the Vietnam era";

(C) by inserting after subparagraph (B) the following new subparagraph:

"(C) Services to members of the Armed Forces described in subsection (c)(11) of this section."; and

(D) by redesignating subparagraph (C) as subparagraph (D).

(2) Section 2003A(c) of such title is amended—

(A) in the material preceding subparagraph (1), by inserting "and members of the Armed Forces described in subparagraph (11) of this subsection" after "veterans"; and

(B) by adding at the end the following new subparagraph:

"(11) Provision of employment and training information and services to individuals serving on active duty with the Armed Forces who are within 180 days of the estimated date of such individual's discharge or release from active duty under conditions other than dishonorable, including those who are making a determination of whether to continue as members, or be discharged or released from, the Armed Forces.".

(b) DUTIES OF LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES.—Section 2004(b) of such title is amended—

(1) by striking out subparagraph (1) and inserting in lieu thereof the following:

"(1) functionally supervise the providing of—

"(A) services to eligible veterans and eligible persons by the local employment service staff; and

"(B) employment and training information and services to members of the Armed Forces described in section 2003A(c)(11) of this title by such staff;"; and

(2) in subparagraphs (3) and (8), by striking out "and eligible persons" and inserting in lieu thereof ", eligible persons, and members of the Armed Forces described in section 2003A(c)(11) of this title".

(c) EXTENSION.—Section 2011(2)(B) of such title is amended by striking out "1991" and inserting in lieu thereof "1996".

SEC. 2. COMMITTEE ON VETERANS' EMPLOYMENT.

(a) IN GENERAL.—Section 2010 of title 38, United States Code, is amended to read as follows:

"§ 2010. Advisory Committee on Veterans Employment and Training

"(a)(1) There is hereby established within the Department of Labor the Advisory Committee on Veterans Employment and Training.

"(2) The committee shall—

"(A) assess the employment and training needs of veterans;

"(B) determine the extent to which the programs and activities of the Department of Labor are meeting such needs; and

"(C) carry out such other activities that are necessary to make the reports required by subsection (f) of this section.

"(b) The Secretary of Labor shall, on a regular basis, consult with and seek the advice of the committee with respect to the matters referred to in subsection (a)(2) of this section.

"(c) The Secretary of Labor shall, within 60 days after the date of the enactment of this section, appoint at least 12, but no more than 18, individuals to serve as members of the committee consisting of—

"(1) representatives nominated by chartered veterans' organizations having a national employment program; and

"(2) not more than 6 individuals who are recognized authorities in the fields of employment, training, rehabilitation, and labor and who are not employees of the Department of Labor.

"(d) The following, or their representatives, shall be ex officio, nonvoting members of the committee:

"(1) The Assistant Secretary of Labor for Veterans Employment and Training.

"(2) The Secretary of Veterans Affairs.

"(3) The Secretary of Defense.

"(4) The Secretary of Health and Human Services.

"(5) The Secretary of Education.

"(6) The Director of the Office of Personnel Management.

"(7) The Chairman of the Equal Employment Opportunity Commission.

"(8) The Administrator of the Small Business Administration.

"(9) The Postmaster General.

"(10) Representatives of other Federal departments and agencies requesting a representative on the committee, as determined necessary and appropriate by the Secretary of Labor.

"(e)(1) The committee shall meet at least quarterly.

"(2) The Secretary of Labor shall appoint the chairman of the committee who shall serve in that position for no more than 2 consecutive years.

"(3)(A) Members of the committee shall serve without compensation.

"(B) Members of the committee shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for persons serving intermittently in the Government service in accordance with the provisions of subchapter 1 of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of the responsibilities of the Board.

"(4) The Secretary shall provide staff and administrative support to the committee through the Veterans Employment and Training Service.

"(f) Not later than July 1, 1991, and not later than July 1 of each year thereafter, the committee shall submit to the Secretary of Labor a report on the employment and training needs of veterans. Each such report shall contain—

"(1) an assessment of the employment and training needs of veterans;

"(2) an evaluation of the extent to which the programs and activities of the Department of Labor are meeting such needs; and

"(3) such administrative, legislative, and other recommendations as the committee considers appropriate.

"(g) Within 60 days after receiving each such report from the committee, the Secretary of Labor shall transmit to the Congress a copy of the report together with any comments concerning the report that the Secretary considers appropriate.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 41 of such title is amended by striking out the item for section 2010 and inserting in lieu thereof the following:

"2010. Advisory Committee on Veterans Employment and Training.".

STATEMENT OF THOMAS E. COLLINS
ASSISTANT SECRETARY OF LABOR FOR
VETERANS' EMPLOYMENT AND TRAINING
BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

April 25, 1990

Mr. Chairman and distinguished Members of the Committee:

It is an honor for me to come before you and discuss the matters contained in H.R. 4087 as they pertain to the employment needs of our country's veterans. I will also discuss the Federal contractor program and the Job Training Partnership Act as it pertains to veterans.

H.R. 4087 would:

- extend the term "veteran of the Vietnam era" for the purposes of veterans' employment programs which expires on December 31, 1991, through 1996;
- permit employment services to military service personnel transitioning out of the military, and
- reconstitute the Secretary of Labor's Committee on Veterans' Employment.

While we appreciate the intent of this legislation, we do not favor the enactment of this bill in its present form.

First, the Disabled Veterans' Outreach Program (DVOP) is one of our most valuable programs that has served our veterans, particularly disabled and Vietnam-era veterans, this past decade and continues to serve them now. It is at the heart of our efforts to address the employment problems of these veterans. As you know under existing law, with respect to our veterans programs, the definition of the Vietnam era expires as of December 31, 1991. In light of this, I would particularly like to focus my discussion on the DVOP program.

The DVOP program was designed over ten years ago specifically to focus on Vietnam-era and disabled veterans. Overall, Vietnam-era veterans are now enjoying an excellent employment rate in relation to the nation's job market. However, there continues to be subgroups with severe employment problems. Among these are the disabled Vietnam-era veterans, which again the DVOP program was designed for and is serving.

There are 670,000 veterans unemployed on the average in 1989 or 3.7 percent of all veterans in the labor force. This compares favorably with a 5.3 percent total civilian labor force unemployment rate. However, when taking the 30-44 year old labor force age group, the unemployment rate for veterans is 4.1 percent compared to 3.9 percent for non-veterans. For this age group, the unemployment rate of Vietnam-Era veterans is 3.7 percent. In a survey of disabled veterans conducted in 1987 by the Bureau of Labor Statistics, about 70,000 disabled veterans were unemployed, 40,000 from the Vietnam era. Some employment problems still exist among disabled Vietnam-era veterans, and those who are homeless or members of minority or other groups, who, just as in the general population, traditionally are among the last to be hired and the most difficult to assist. In addition, we know that some Vietnam-era veterans have simply given up and are not even counted in the work force. Many of these are included in the homeless population. The Federal Government is making a major effort to assist the homeless population, including homeless veterans, through programs of the

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Labor Department and others.

Our DVOP specialists still have considerable work to do in serving the needs of the difficult to serve Vietnam-era veterans. Because of their special training in outreach efforts, they can be of great service in assisting the hardest to place find permanent employment, and the dignity that goes with it.

In addition to meeting those needs, as we look at the labor force as we approach the year 2000, we see an overall worker shortage and dramatic changes in the work place requiring skilled and specialized workers. This projection is critically important since it means that we in the Veterans' Employment and Training Service must better prepare to address the training and placement difficulties experienced by the previously mentioned unemployed veterans.

The proposal in H.R. 4087 would extend the definition of the of Vietnam-era veterans provision through 1996 and, concurrently, extend the DVOP Program. We believe it is premature at this time to extend the current definition for five years. In conjunction with this the Administration will be considering the related question of the current formula for the DVOP program which is based on Vietnam-era and disabled veterans. However, for extension of the current DVOP program, we believe that fundamental changes should be explored to be responsive to the challenges ahead. The DVOP program should be analyzed both with regard to staffing formula and, more importantly, with regard to its mission. The scope of the DVOP specialists should be studied to assess the impact of service to other groups of veterans in need while continuing to serve our disabled veterans, with particular focus on the disabled Vietnam-era veteran. Thus, we propose to conduct a comprehensive study of the role of the DVOP in the 1990s.

Currently there is a need to provide employment and training assistance to those who leave active military service even before they are actually discharged or released. We note H.R. 4087 Section 1 addresses this need. We wholeheartedly support revising the eligibility of veterans to be served by DVOP staff to include members of the Armed Forces before discharge to allow DVOPs to serve these soon-to-be veterans. We sent yesterday legislation to the Congress with the same purpose, but our proposal would begin eligibility 90 days before discharge or release instead of the 180 days in H.R. 4087.

H.R. 4087 would create a new advisory committee on veterans' employment and training. However, there already exists a Secretary's Committee on Veterans' Employment, which serves a very valuable purpose by bringing representatives of the various constituency groups who represent the veterans of this country together with the expertise of representatives of various departments and agencies of the Federal government which are involved in veterans' employment issues. The Secretary's Committee has met regularly and has also sponsored national public forums to seek advice from veterans employment experts across the country.

We feel that the current structure of the Committee, as expanded last year, allows the Secretary sufficient opportunity to receive advice from representatives of veterans service organizations and Federal agencies with a role in veterans employment issues. This provision of the bill would create redundancy and duplication of the functions of the Office of the Assistant Secretary for Veterans' Employment and Training and would be very costly with its provisions for per diem and travel expenses and for separate assessment and report writing functions.

As I mentioned in the beginning of my statement, another important topic I wish to comment on today is the Federal Contractor Program pertaining to affirmative action in veterans' employment. We plan to place greater emphasis on the Federal contractor program. Existing legislation in Section 2012, Title 38 of the U.S. Code, provides for affirmative action pertaining to Vietnam-era and special disabled veterans by Federal contractors with contracts over $10,000, and collection of data from such contractors. We now have over 135,000 employers with contracts over $10,000 who file VETS-100 reports. They report total employees, and Vietnam-era and special disabled veterans hired over the past twelve-month period, as well as the number of such veterans by occupational category that they have at the time of the report. We currently provide Federal contractor information to State Employment Security Agencies to enable them to market their services and promote the employment of veterans to these Federal contractors. We believe that this Federal contractor report can be very productive.

However, the $10,000 threshold is not effective for two reasons: one, on a cost-benefit basis, a $10,000 contract yields limited employment opportunities for veterans; and two, the existing threshold is not consistent with the written affirmative action threshold which is presently at $50,000 by regulation. For these two reasons, our efforts to promote employment opportunities for veterans with Federal contractors are not maximized.

We recommend providing authority for the Secretary to establish by regulation an appropriate threshold applicable to data collection. This would better enable us to coordinate data collection and enforcement efforts with the Department of Labor's Office of Federal Contract Compliance Programs, coordination recommended by 38 U.S.C. 2012(d)(2). This would give us a much better listing of employers and allow us to market veterans' employment on a broader scale. In the meantime we are committed to continue the "VETS 100" report for Fiscal Year 1991.

We are also very much involved with Job Training Partnership Act (JTPA) activities to ensure greater participation by veterans. Aside from our own Title IV, Section C of the Act, under which only veterans are trained, there are other sections of the Act that serve many more veterans.

Two sections of the Act in particular are well-suited in addressing the training and employment needs of disadvantaged and dislocated persons, including veterans. Title II-A of JTPA funds programs to provide services to economically disadvantaged individuals and other individuals facing serious barriers to employment. An estimated $109 million was expended providing training and employment services to approximately 54,600 veteran participants under this title in program year 1988. About 12.6 percent of the adult participants under this title were veterans. JTPA Title III provides training and employment services to dislocated workers. Under this title, an estimated $46 million was expended in program year 1988 providing services to 18,400 veterans. Approximately 18.3 percent of participants under this title were veterans. Thus, approximately $150 million were devoted to veterans from Title II-A and III funds.

In addition, the Title IV(C) program, with a budget this program year of approximately $9.5 million, targets service-connected disabled veterans, separating military personnel and Vietnam-era veterans. This program will continue to be focused in the direction of "veterans only." Because of the larger budgets in Titles II-A and III, we will continue to engage in efforts aimed at increasing veteran participation in these programs.

In conclusion, concerning H.R. 4087, we support providing services to present members of the Armed Forces so that we can, through the Veterans' Employment and Training Service, conduct the all-important transition assistance that they need. At this time, for the reasons stated above, we oppose the other provisions of the bill.

I am concerned about several groups of veterans who appear to me to be in need of assistance. These groups of veterans would include our older veterans who, due to changes in the economy and workforce noted above, need to return to, and are needed in the labor force; women veterans who have very particular employment needs and problems and are a growing percentage of our veteran workforce; minority veterans who continue to have disproportionate employment problems and Hispanic and Native American veterans who suffer, by far, the most severe employment problems in this Nation. Soon-to-be veterans, those in their final months of active military service, need assistance translating their military experience into gainful civilian employment. Finally, in some communities, about one-third of our homeless people are veterans with inherent employment problems and need our help. I hope during my tenure as Assistant Secretary for Veterans' Employment and Training that I will be able address some of the employment needs of these disadvantaged veterans.

Thank you for this opportunity to express my views. I will be pleased to answer any questions.

ICESA
INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES, INC.
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FAX # 202/783-5023

STATEMENT

OF THE

INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES, INC.

ON: EMPLOYMENT AND TRAINING PROGRAMS IN THE DEPARTMENT OF LABOR AFFECTING VETERANS

TO: SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT OF THE HOUSE VETERANS' AFFAIRS COMMITTEE

BY: JAMES A. LOWE, CHAIR, VETERANS' AFFAIRS COMMITTEE, INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES; DEPUTY COMMISSIONER, GEORGIA DEPARTMENT OF LABOR

DATE: APRIL 25, 1990

The Interstate Conference of Employment Security Agencies, Inc., represents the administrators of employment security programs for the 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands.

Mr. Chairman, members of the Subcommittee, my name is James Lowe. I chair the Veterans' Affairs Committee of the Interstate Conference of Employment Security Agencies, Inc. (ICESA), and serve in a full time capacity as Deputy Commissioner of the Georgia Department of Labor. The Interstate Conference, which I am representing here today, is the organization of state officials who administer the Employment Service, Unemployment Insurance and Labor Market Information programs in the 50 states, the District of Columbia, Puerto Rico and the Virgin Islands. Accompanying me is Emily DeRocco, Executive Vice President of the Interstate Conference.

We are pleased to participate in these proceedings and to present our views and concerns on the impact employment and training programs administered by the U.S. Department of Labor have on veterans.

The Interstate Conference, through its member agencies, is committed to providing efficient service to America's workers and employers. Achieving efficiency is like dieting--it must be done sensibly, balancing all the proper elements to ensure long-term success...not just short-term reduction.

I. The Basic Employment Service System

It is with this analogy in mind, Mr. Chairman, that I would like to share with the Subcommittee my thoughts on the status and condition of the primary delivery system for veterans employment in our nation--the state Employment Service (ES) agencies--before addressing some specific issues.

The Employment Service is the foundation upon which veterans employment and training programs and activities are built. The system provides the facilities, services and technology that enable the specialized state staff (DVOPs and LVERs) and on-site federal personnel (DVETs and ADVETs) to perform their jobs. However, that basic system is faced with financial problems which make the job of serving veterans and other eligibles more difficult. And I'm here today to say to you, Mr. Chairman, that the ES system has been plagued with financial problems through the 1980's, and it appears that the present decade shows no sign of relief.

In short, the ES system has been subjected to a continuous crash diet aimed at short-term reduction instead of long-term health. The key to efficiency in the Employment Service is innovation, not starvation.

The administration of the Employment Service system, as well as other Employment Security programs including the DVOP/LVER program, is financed by a dedicated federal payroll tax. This tax, collected under the Federal Unemployment Tax Act, produces more than adequate revenues to administer properly the system. In fact, the U.S. Department of Labor estimates that the account from which Employment Security programs are funded will exceed its statutory ceiling by $640 million by the end of this fiscal year.

The problem is twofold: (1) the Administration's annual budget request traditionally seeks reductions in ES operating levels; and (2) the Congress, constrained by the deficit, does not appropriate sufficient funds for the system, although it usually approves more than the Administration's request. The result is a nationwide program that has been forced to drastically scale back services, operating facilities, and staff. In nearly half of the states, state legislatures have had to appropriate millions just to keep basic services available.

Since 1982, the ES system nationwide has lost approximately 16,000 or 50% of its operating personnel and over 700 full service offices. In addition, many key services have been scaled back. For example, the system now counsels only half the number of individuals it served in the early 1980's, and there have been similar cutbacks in applicant testing and employer services. Further, in many states, automation of ES operations is nonexistent or archaic. This condition must be addressed as well. As you can see, Mr. Chairman, the foundation for veterans' employment services in this country is weak and growing weaker; and its shoring-up must be an integral part of the discussions that go on here today.

Adequate funding and automation are to the ES system what proper nutrients and exercise are to the sensible dieter.

Statutory or administrative adjustments to 38 USC 41 will not totally resolve current problems. It is not simply the number of LVERs or DVOPs, or the ES system's strict adherence to veterans preference laws that ultimately make veterans' employment and training programs successful; it is the quality of the basic Employment Service system that has the greatest impact.

For Fiscal Year 1991, the Interstate Conference is requesting a minimum of $850 million for state ES operations. This is $71.0 million above the FY 1990 appropriated level, and $127.4 million more than the Administration's request. In addition, we are asking for $25.0 million to support state ES Automation needs. The support of this Subcommittee would be most helpful in securing these funds.

II. H.R. 4087

Mr. Chairman, we commend you for introducing H.R. 4087. Generally, we support the provisions of the measure within the framework of the following comments and recommendations:

Service Delivery to Members of the Armed Forces Who are Within 180 Days of Separation

This provision, which authorizes LVERs and DVOPs to serve active military personnel prior to their discharge and designation as veterans, is urgently needed as the various branches implement downsizing plans. The most effective program of employment transition assistance is that which is offered well in advance of separation. Understanding labor market information, matching military skills with civilian occupations, and addressing relocation issues are some of the specialized services that require time and careful preparation.

While this proposed statutory change creates the authority for these services to be delivered, we are concerned about the capability of the system to deliver these much needed services. Specifically, the Administration's budget request, if enacted, would actually reduce the number of LVERs and DVOPs below current levels. Estimates range widely, but we could experience a loss of nearly 200 staff responsible for serving veterans. We urge the Subcommittee to support funding of DVOPs/LVERs at the statutorily required level.

Further, Mr. Chairman, we believe that serious consideration should be given to broadening the authority provided in your bill to permit the provision of employment assistance by LVERs and DVOPs to other family members of the primary individual being served. In many instances, the spouse of the military separatee also needs employment transition assistance to assure the financial stability of the family. We strongly believe that the transition program should be a family oriented effort.

Veterans of the Vietnam Era--Extension of Definition

Last year, the Interstate Conference went on record supporting the extension of the delimiting date for veterans of the Vietnam era. We took this action because our experience indicated that many of these veterans still need employment-related assistance. Obviously, allowing the definition to expire at the end of calendar year 1991 would greatly reduce the number of DVOPs who are available to work with these individuals. We estimate that DVOP staff would be cut by about 80%.

Mr. Chairman, the very existence of statutory classifications for veterans, and especially the process for determining staffing levels for ES veterans specialists, raise a number of important issues we believe are worthy of review and analysis by this Subcommittee. From an operating, administrative and service delivery standpoint, we recommend that serious consideration be given to establishing a single veterans specialist classification within the state Employment Service System, one that can serve the total employment and training needs of all veterans and eligible persons. Quite frankly, the skills and abilities possessed by LVERs and DVOPs are not very different; rather, their differences are related more to whom they can serve and how their staffing levels are determined.

The present system establishes a dichotomy in our veterans' services program that can be difficult and confusing to manage; creates competition and duplication; and, above all, may not be in the best interest of veterans served by the Employment Service.

Mr. Chairman, we recommend your support for a formal study which would give consideration to a single ES veterans specialist classification.

Advisory Committee on Veterans Employment and Training

Your proposal to change the membership and responsibility of the Secretary's Committee should result in a more effective advisory body. In addition to those members designated in your bill, we recommend that a representative of the business community be included under Subsection (c) (2). Also, the Assistant Secretary for Employment and Training and the Director of the United States Employment Service should also be nonvoting members of the Committee. These individuals have direct responsibility for the delivery system upon which all veterans' employment and training programs are administered.

We also recommend that item (d) (10) be expanded to allow national-based organizations with an interest in veterans' employment and training programs to be considered for Committee membership. I know that the Interstate Conference is most interested in becoming an active participant in this endeavor.

III. An Essential Expansion of Responsibilities for Both DVOPs and LVERs

Mr. Chairman, we are recommending that Sections 2003A. and 2004 of Chapter 41, Title 38, be amended to authorize, but not require, DVOPs and LVERs to process initial Unemployment Insurance (UI) claims for veterans and other eligible persons. There are three primary reasons for our recommendation.

First, and foremost, it will prevent veterans from being at a disadvantage in those local ES offices that operate under a single point of contact system. In Georgia, for example, an individual wishing to file for unemployment insurance and employment assistance will soon have their needs met by one person to receive the full range of those services. However, when a veteran visits the same office seeking the same services, he/she will be required to spend time with at least two staff; the DVOP or LVER for employment assistance, and another agency representative in order to file an unemployment insurance claim. This double process for the veteran often involves a significant expenditure of time and, understandably, results in increased frustration and impatience with the system. In a program where veterans are mandated to receive services on a priority basis, just the opposite is occurring.

Second, by permitting DVOPs and LVERs to process initial UI claims, we also would be creating a case management approach to serving veterans. This type of service delivery has proven to be the most efficient and builds confidence in the veteran that he/she is receiving the best possible service from a fully qualified specialist.

Third, we would be providing DVOPs and LVERs the opportunity to expand their skills and, therefore, broaden their eligibility for other employment security agency positions requiring some experience with the UI program.

We urge you to give serious consideration to this recommendation.

IV. LVERs--Appointment vs. Assignment

Since the signing of Public Law 100-323, there has been a difference of interpretation between the ASVET and our organization regarding the application of the terms "appointment" and "assignment," as it relates to LVERs in Section 2004. According to Veterans' Program Letter No. 10-89, dated May 25, 1989, "The Solicitor of Labor has advised that the terms 'appointment' in Section 2003A for DVOPs and 'assigning' in Section 2004 for LVERs have the same functional meaning, i.e., the competitive selection between candidates." It is our contention that these terms do not have the same functional meaning as it relates to Section 2004 (a) (2) (A). We interpret the word appointment to mean the actual hiring of staff, while the word assigning as used in 2004 (a) (2) (A), refers to the stationing of staff. For greater clarity, we recommend that the words "the assigning" in Section 2004 (a) (4) be changed to "appointing" and that Section 2004 (d) be deleted because it duplicates Section 2004 (a) (2) (A).

We respectfully request your assistance in clarifying this issue.

V. Priority Services for Veterans in Programs Authorized by the Job Training Partnership Act (JTPA)

Our organization supports veterans preference in all appropriate Department of Labor programs. Last year, the Interstate Conference called for veterans preference in JTPA programs, as part of testimony before Education and Labor Committee Chairman Augustus Hawkins.

In this regard, we believe that ASVET staff should be devoting more time to working with the JTPA system, particularly at the Service Delivery Area (SDA) level, to assure that veterans are being adequately served.

VI. Other Issues

Program Year vs. Fiscal Year

We strongly recommend that ASVET directed programs, particularly LVERs and DVOPs, be funded on a program year (July 1-June 30) basis rather than the regular federal fiscal year. Both the Employment Service and JTPA programs have operated on a program year basis since 1984, and LVER and DVOP conformity to this system is long overdue.

National Veterans' Training Institute (NVTI)

For several years, our organization has urged the ASVET to increase substantially the number of ES management staff who attend NVTI training. We fully concur in the present approach which places a priority on training LVERs and DVOPs. However, we find that many of these individuals return to their duty stations only to become frustrated because their supervisors may not be as up-to-date on recent program changes. We would like to see an increase in the number of ES managerial staff permitted to attend NVTI. It also would be a meaningful investment to have JTPA managers participate in the training.

ASVET Oversight of the Employment Service

As a last issue, Mr. Chairman, I want to bring to the attention of this Subcommittee a concern related to the grantor/grantee relationship between the U.S. Department of Labor's Assistant Secretary for Veterans' Employment and Training and the states. A recent draft directive on DVOP and LVER travel goes beyond the normal oversight and improperly uses the name of our organization in citing examples. We are very concerned that this may reflect a continued move toward micromanagement in an array of operational and administrative areas.

I have written to the Assistant Secretary about this particular matter, and have attached both the letter and the subject directive to this testimony.

Mr. Chairman, that concludes our testimony. We appreciate the opportunity to be a part of these proceedings, and would be most pleased to respond to any questions.

U.S. Department of Labor

Veterans' Employment and Training
Washington D.C. 20210

DRAFT

VETERANS' PROGRAM LETTER NO. _____

TO: ALL REGIONAL ADMINISTRATORS AND DIRECTORS
FOR VETERANS' EMPLOYMENT AND TRAINING
ALL STATE EMPLOYMENT SECURITY AGENCY
ADMINISTRATORS (SESAs)
ALL REGIONAL ADMINISTRATORS, EMPLOYMENT
AND TRAINING ADMINISTRATION

FROM: THOMAS E. COLLINS

SUBJECT: DVOP/LVER Staff Travel Funds for
Conferences/Program/Training

I. *Purpose:* To transmit guidance on the use of Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representative (LVER) travel fund utilization regarding conference attendance (e.g. IAPES, ICESA); program activities (outreach, field visits, job development); and training sessions (e.g. DVOP/LVER staff meetings, NVTI, in-service training).

II. *References:* Title 38, Chapters 41 and 42, United States Code (USC), as amended; 20 Code of Federal Regulations, Part 97, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (20 CFR 97); and Veterans' Program Letter (VPL) 15-88, dated September 21, 1988.

III. *Background:* Pursuant to a three-year $8.7 million contract with the University of Colorado at Denver for the operation of a National Veterans' Employment and Training Services Institute (NVTI), the NVTI has been designated the sole source for all skills enhancement training for DVOP specialists and LVER staff. The NVTI provide the major transportation, lodging and subsistence for all SESA staff who attend. The DVOP/LVER grants, as funded, contain Non-Personal Service (NPS) funds to cover travel outside of the local employment service office (LESO). This travel is rarely overnight and generally consists of mileage to visit/meet with veterans or employers to offer services or to follow-up services rendered. This can also include travel to other delivery agencies (e.g. Job Training Partnership Act Service Delivery Area offices, Department of Veterans' Affairs offices).

Other authorized reimbursable travel includes travel to attend scheduled meetings of all or selected DVOP/LVER staff (usually programmatically or geographically determined) which may entail overnight travel and per diem for meals. Such meetings may include training sessions intended for career enhancement or be State specific training regarding new State procedures (e.g. automated data entry system changes/job matching functions). Generally, however, travel and subsistence for DVOP and LVER staff training regarding roles/responsibilities and services to veterans skills enhancements are offered, arranged, and paid for by the NVTI at their facilities in Denver, Colorado.

In the last two fiscal years, Directors for Veterans' Employment and Training (DVETs) have fielded and forwarded questions from State Employment Security Agencies (SESAs) regarding travel fund considerations, not clearly defined above. The most frequently asked questions include the allocability to hold a Statewide DVOP/LVER conference and incur those costs without authorization/ Grant Officer approval; time and travel charges by the State training department or bureau for training services at such conferences; time charges by SESA staff while at the NVTI; and the authorization for out-of-State travel for training, conferences or State sponsored functions other than to the NVTI for training.

IV. Policy and Guidance: Guidance regarding each of the four areas of concern listed above follows below:

A. DVOP/LVER Conferences: The SESA need not request pre-authorization for DVOP/LVER staff to collectively attend a Statewide conference or a regional conference within the State, when the SESA is carrying out a planned activity as set forth in an approved grant application or modification approval or when all the following apply:

1. DVOP/LVER staff directly pay for/voucher for rooms and request reimbursement for lodging and subsistence;

2. Other DVOP/LVER staff are in attendance;

3. The function was planned with the full knowledge of the SESA and assigned DVET;

4. Only DVOP/LVER NPS funds are charged for the associated travel expenses.

Prior Grant Officer approval is required when the SESA:

1. Schedules to hold a conference that was expressly disallowed from the Fiscal Year grant application/ modification request;

2. Requires additional funds from VETS to cover associated conference costs or requires the transfer of more than ten percent (10%) of the total approved grant funds (budget) from onecost category to another (29 CFR, Part 97.30 (c)).

B. Time and travel charges by the State training department or bureau for training services at DVOP/ LVER conferences: The salary and expenses for the training department, may be determined and drawn by a Cost Accounting System formula from an indirect Administration, Staff and Technical (AS&T) cost pool (Administrative Overhead funds).

Regardless of this fact, VPL 15-88 allows a direct AS&T charge to be made against the DVOP and/or LVER project codes "if a specific training program is being developed (exclusively for DVOP (Specialists)/LVER staff by the State agency training staff...". Such direct charges for "the time spent in development and instruction may be appropriate direct charges", if they "have the prior written approval of the appropriate RAVET" (through the DVET) or appear in the approved grant agreement.

C. Time charges by SESA staff other than DVOP/LVER staff while at NVTI: The Office of the Assistant Secretary for Veterans' Employment and Training (OASVET) of the U.S. Department of Labor provides funds through contract with the National Veterans' Training Institute (NVTI) to provide for the training, including travel expenses and per diem for attendance by DVOP and LVER staff, "and other such personnel involved in the provision of employment, job training, counseling, placement or related services to veterans..." (Title 38, Chapter 41, Section 2009, USC).

As the SESA staff attending training paid for by NVTI have some relation or responsibility in their work descriptions for services to veterans, time spent receiving training at NVTI to enhance their ability to provide or supervise the provision of those services must be charged to their regular job title/project codes not to DVOP/LVER codes.

D. Authorization for DVOP/LVER staff travel outside of the regularly assigned geographical operating area for training professional conferences, to attend educational or training institutions other than to the NVTI, or State approved functions. Due to funding constraints and the disparity involved in allowing only selected staff to attend such other functions, limitations must be imposed upon the use of DVOP/LVER funds for conference travel out of an individuals geographic operating area, except when specifically asked by the ASVET to serve on a panel or committee.

Although it is probable that non-participatory attendance at other functions such as IAPES conventions and ICESA committee meetings generally located outside a DVOP Specialists or an LVER's regularly assigned geographical operating area may be enriching for the individual, and may have an effect on DVOP or LVER operations on a National scope, they cannot be perceived as having a direct relationship with daily services provided by the individual DVOP/LVER staff person.

Therefore, attendance at other out of area functions not directly connected to the direct services provided to veterans in their assigned State is not an allowable charge to the grant, unless their direct participation has been so directed by the OASVET, and those costs have been approved in writing in advance by the RAVET with full knowledge of an/or for the ASVET.

Only DVOP/LVER staff and training staff are authorized to direct charge DVOP or LVER funds, unless expressly granted otherwise in the approved grant agreement. Managers, or other SESA staff who normally report their time under such Employment Service (ES) project code (Wagner-Peyser management/training: 205-600) or an ASaT code will report their time under those codes, and are expressly prohibited from directly charging the DVOP or LVER project codes, no matter in what activities they engage. Such improper charges have been and will continue to be subject to recapture, one identified.

BEST COPY AVAILABLE

IV. Actions Required:

A. State agencies are to be mindful of the guidance outlined in this directive when considering requests for training or conference travel from DVOP, LVER and other appropriate SESA staff. States should inform their management and support staff regarding proper time charges and DVOP/LVER staff regarding allowable out-of-State travel.

B. State agencies should consult with their DVETs for technical assistance regarding the dissemination of this information or whenever the appropriateness of time charges or approval for conference travel is in question. Requests for additional funds for conferences, just as for other purposes, must be received in National office no later than August 15, to be considered in the current Fiscal Year.

C. RAVETs shall ensure that DVETs discuss the contents of this directive with the appropriate State agency staff to ensure compliance with this directive, and that they are prepared to provide technical assistance regarding this subject matter.

D. DVETs will ensure that any State agency requests for pre-approval of travel or conferences requiring Grant Officer approval are transmitted to the RAVET in a timely manner for approval or forwarding to National Office with the appropriate recommendation; given twenty working days are needed to process such requests.

E. RAVETs should consult with their Desk Officer before providing approval of State agency requests not clearly covered by this directive, and that do not require Grant Officer approval.

V. Inquiries: SESA inquiries should be directed to their DVETs. VETS inquiries should be directed to the appropriate Desk Officer through the RAVET.

GEORGIA DEPARTMENT OF LABOR

JOE D. TANNER
Commissioner

Sussex Place
148 International Boulevard, N.E.
Atlanta, Georgia 30303

April 10, 1990

Mr. Tom Collins
Assistant Secretary for Veterans'
Employment and Training
Room S 1315
Frances Perkins Building
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Dear Mr. Secretary:

I have reviewed your draft VPL on "DVOP/LVER Staff Travel Funds for Conferences/Programs/Training," and candidly, I am surprised and disappointed that the Veterans' Employment and Training Service (VETS) would consider undertaking micro-management of this nature. Additionally, it is disconcerting to find that attendance at meetings of two organizations so supportive of veterans, "e.g., IAPES, ICESA," have been used as examples which, "...cannot be perceived as having a direct relationship with daily services provided by the individual DVOP/LVER staff person."

I would like to believe the real intent of the draft memo is to be helpful. Nevertheless, I find it to be burdensome, and I question your office can change rules, via a program letter, which are delineated in the basic grant provisions. More specifically in the General Provisions, paragraphs I., Administrative Provisions and III., Allowable Costs, provide guidance on grant expenditures including travel costs. Further, CFR 29 Part 97, Subpart B 97.12 concerning "...'high-risk' grantees," appears to support my contention about rule changes by letters. Specifically subpart 97.12(b)(6) permits prior approvals by the grantor when a grantee is considered "high-risk." However, high-risk grantees must be notified in writing before additional special conditions/restrictions can be imposed. Since your agency has not declared us "high-risk," I do not see the necessity for prior approvals envisioned in the draft VPL.

The Georgia Department of Labor (GDL), as are all SESAs, is committed to assuring veterans receive priority services. We certainly want to exceed all performance standards, and we cherish an outstanding professional working relationship with the VETS. However, this relationship must be based upon mutual respect for our roles as a grantor/grantee.

The GDL, in its role as the grantee for the DVOP/LVER programs, does not view them as "free standing." Certainly funding levels are insufficient to permit an independent status. (And I do not believe the Federal government is willing to provide enough funds for free standing or independent programs.) Therefore, the DVOP/LVER staffs are integrated into our overall operations. As a result, we do not believe we can differentiate in our treatment of DVOPs/LVERs. They must be afforded the same opportunities as Employment Service, Unemployment Insurance, and Administrative staffs, and fair share costs should be covered by the appropriate grant.

None of the foregoing is in anyway intended to denigrate or detract from the importance of NVTI. Conversely while I accept the U.S. Department of Labor has designated NVTI as the sole source for skills enhancement training, I do not accept there are no other sources which can or should be used for skill enhancement. It is a long standing principle in federal/state governments that grant funds can be utilized to defray training/educational costs to include travel and per diem. The key is available funds. Therefore, as long as we have NPS funds available why shouldn't we be permitted to manage the resources to the best use we deem appropriate. In this regard administrative/operational issues are often discussed with the State Director and his staff, but a final decision, if permitted by Federal regulations, must rest with the grantee, not the grantor agency.

We sincerely believe, that from an administrative point of view, each program funded by the Federal government must be administered the same way by following the rules and regulations applicable to all grants. Therefore, I respectfully request you look closely at proposed policies or directions which tend to go beyond current rules and/or regulations pertaining to grant administration. Because we think it is imperative that we have all the rights, to which we are entitled, to do the job so long as we abide by the rules and regulations of the negotiated grant.

All of the above notwithstanding, it is very important that we do not lose sight of the fact that LVER/DVOP programs are primarily to help veterans find jobs. Thus, we fully intend to do our utmost to meet this worthy objective. Further, we welcome appropriate advice and assistance from our Federal partner to help us accomplish this endeavor.

Hopefully you understand our position, but if you disagree please let me know.

Sincerely,

Jim Lowe

James A. Lowe
Deputy Commissioner
Employment and Training Programs

TESTIMONY
OF
THOMAS F. HARTNETT
COMMISSIONER OF LABOR
FOR THE
STATE OF NEW YORK
BEFORE THE
SUBCOMMITTEE FOR EDUCATION, EMPLOYMENT AND TRAINING COMMITTEE ON VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

APRIL 25, 1990

Good morning Mr. Chairman. My name is Thomas F. Hartnett, and I serve as the Commissioner of Labor for the State of New York. I am the first Vietnam Era Veteran to have the honor of serving in this post, having been appointed in 1987 by the Honorable Mario M. Cuomo, Governor of New York. I appreciate the opportunity to appear here this morning to present the views of the New York State Department of Labor in regard to H. R. 4087 and the vital need to extend and strengthen the Disabled Veterans Outreach Program.

I appreciate your leadership and that of the chairman of the full committee, the Honorable G. V. "Sonny" Montgomery, on behalf of the special needs of America's veterans, particularly disabled veterans, for employment and training assistance. On behalf of all of us in New York, I thank you and your colleagues for your guidance and support of the efforts of State Employment Agency personnel who assist individual veterans. The United States Government funds a significant part of this effort to carry out this essential national policy.

New York State Department of Labor

In 1987, when I became Commissioner of the New York State Department of Labor, we took a fresh look at how well we were accomplishing the intent of the many programs assigned to this diverse Department. We revitalized and sharpened the focus of all of our efforts.

The New York State Department of Labor's responsibilities under Federal and State laws are varied. Among the responsibilities under our jurisdiction are:

- ensuring the safety of employees in the workplace through the enforcement of worker protection laws.
- enforcement of the collection of the Federal Unemployment Insurance Trust Fund.
- ensuring that minimum wage and child labor laws are both adequate and properly enforced.

- administering the two main components of the employment security system--Unemployment Insurance and Job Service.
- administering employment and training services to veterans; including unemployment insurance, job search, counseling and job training.

Over the past decade, all State Employment Security Agencies including the NYSDOL have faced severe reductions in funding from the Federal Government. In 1980, the New York State Department of Labor had over 11,000 employees. For the past three years, we have averaged slightly over 5,200 employees. The reason I mention this fact is not to strike a debate over whether or not we need these positions back, but instead, I raise this point to help you understand New York's efforts of the last three years in the context of the historical evolution of the system. Everything that we are doing now to meet the needs of New York business and working men and women, we must do by "working smarter" and harder in a severely restrained, if not bleak fiscal situation.

At the same time, changes in demographics and in the work force have resulted in a constituency with more varied, often more difficult needs that we are being asked to address. Take for instance:

- dislocated workers,
- displaced homemakers,
- individuals with lower skills levels,
- disabled veterans,
- older workers.

This situation, coupled with the need to improve the way we were delivering services to our customers has brought about some major changes in the New York State Department of Labor over the last three years in the form of Community Service Centers.

Community Service Centers

Community Service Centers combine the "Job Service" and "Unemployment Insurance" offices into single unified offices, where all the staff are cross trained to serve the "whole person." Now, in one visit to one location a customer can receive assistance from one staff member regarding an unemployment insurance claim, or registering for the public labor exchange. At the same time, the same customer can receive on-site assistance with supportive services, employment guidance, access to education and training programs and other services as needed.

The "CSC" concept is both a place (i.e., "Community Service Center") and a way of doing business. CSC also means a "Customer Service Center". We have changed our nomenclature from dealing with "clients" or "applicants" to regarding individuals seeking our services as customers. People choose a service and if they are not happy with what they receive, they take their business elsewhere. At the Department of Labor, we choose to ensure that we do all we can to meet the needs of every person so that each is a satisfied customer, whether they are an employer or a person seeking employment. We have afforded the staff in each location the opportunity to work with all of the public and private entities in their area to develop the service that makes sense for that community and the customers served. Each Community Service Center is unique, but with common elements.

First, we are remodeling and refurbishing all of the Community Service Centers as quickly as we can. We are doing this for two primary reasons: first, the physical surroundings of the new offices say to a person out of work "you matter." Secondly, if we say to businesses we have professional recruitment services and other services that they can access, we should be providing these services in a professional surrounding. In other words, our offices are a reflection of who we recruit for. To date, we have converted 15 of our local offices to Community Service Centers. Within four years there will be over 100.

When a person walks in the door of a Community Service Center, whether they be an employer looking for qualified individuals to fill their jobs, or a veteran looking for employment counseling, they are served at a **Common Intake Counter** by one of our staff trained to assist them on the full range of employment-related issues. Gone are the days when these individuals would be referred to two or three different staff members, sometimes at different office locations to have their questions answered or to receive services.

Unlike the time not too long ago where individuals who arrived in our offices with children were told to come back without them because they were not "job ready," today, in our Community Service Centers individuals that have children with them can use our **"Kiddie Korners"** where their children can play while their parents are receiving services.

We also now have in place **JOBS PLUS!**--self -search touch computer screens where customers can seek information about employment opportunities of interest on their own, so they can use their time with a Labor Services Representative to the greatest advantage. A veteran for instance, can enter his or her military occupational specialty code and be guided through the system to appropriate civilian occupations and job openings in the region of New York State where that customer wishes to live and work. All of this only takes a few minutes of the customer's time. These screens also contain information on local and statewide services, such as day care, counseling, shelter and supportive services.

We also have invited other ancillary service providers such as the New York State Division of Veterans Affairs, representatives of the Job Training Partnership Act entities, the Office of the Aging, community-based organizations, veterans service organizations, and many others to share space, at least on a regular itinerant basis, with us in the Community Service

Center. It is important to focus on all the needs of the individual. The individual who needs assistance does not care which entity delivers effective assistance. "Bureaucratic turf" issues tend to disappear if we can all keep focused on the needs of the individual customer.

A central tenet of all of our efforts is that we can only deliver quality services to veterans in the context of delivering quality services to all persons. If we improve the quality of services to all persons, then we improve the quality of services to veterans.

Therefore, our first task was to improve the efficiency and effectiveness of our entire system. If our services to everyone were less that they could be, the priority of service to veterans meant priority to services that were not as good as they could and should be for any customer. Our second task was to communicate to our own staff, to the veterans community and to individual veterans that we were serious about veterans priority of service, and that in New York, we would be in compliance with both the letter and the spirit of the law.

New York State Veterans Bill of Rights

Another major initiative that the New York State Department of Labor has embarked upon that is aimed at enhancing services to veterans is the Veterans Bill of Rights for Employment Services. This initiative is in response to Governor Cuomo's 1988 State of the State Address when he noted that "the ability to obtain and sustain meaningful employment at a decent living wage lies at the very nexus of the readjustment process for our veterans."

The Veterans Bill of Rights was implemented on March 30, 1988. The key to this initiative is to alert veterans to the services they are entitled to in a simple, clear and concise way, and then to provide a direct accountability mechanism (in the form of toll-free "Veterans Employment Hotline") to seek redress if a veteran believes that he or she has not been accorded the full services which they are due.

While much that is contained in the Veterans Bill of Rights is either contained in Chapter 41 of Title 38, United States Code or is just plain common sense, it is important to fully inform individual veterans about the services they are entitled to. It is our belief that denial of knowledge of benefits and entitlements often leads to the effective denial of those benefits and entitlements. Therefore, each and every person who comes into a New York State Department of Labor facility is asked, "Did you ever serve on active duty in the United States military"? If the answer is affirmative, then immediately they are given a Veterans Bill of Rights wallet card so they know what they are entitled to as basic rights. Further, we have ensured that large poster size copies of the Veterans Bill of Rights for Employment Services are prominently displayed at each of our facilities. (The reason for this particular wording of that question is that some veterans, particularly female veterans, recently separated veterans, "cold war" veterans and others will sometimes not respond affirmatively to the question, "Are you a veteran?", and we had been undercounting these veterans and not providing priority of service to them.)

A particularly important point of the New York State Veterans Bill of Rights for Employment Services is that Governor Cuomo has declared "veterans, particularly Vietnam and other combat theater veterans, disabled veterans, and ethnic minority veterans" to be a special emphasis priority group for training and other services delivered pursuant to the Job Training Partnership Act (JTPA). We believe that it is vitally important that veterans receive priority in access to training and that this will lead to a job in a manner similar to the priority of service accorded in referrals to actual employment openings.

New York State Veterans Employment and Training Resource Guide

Not only is it necessary that we ensure that Department of Labor staff are trained and fully aware of the various services and training opportunities that are available to veterans, but it is equally important that the local entities are aware of this information. To address this, over the past two years we have provided training in the special needs of veterans to representatives of all of the 32 Job Training Partnership Act (JTPA) Service Delivery Areas (SDA) in New York State on six different occasions. We have ensured that each SDA has a Veterans Representative, nominated by a Congressionally chartered veteran service organization that has a national employment program or similar local group.

We are ready to take the next step of publishing the "New York State Veterans Employment and Training Resource Guide" for use by the employment and training specialists who work in the JTPA offices in New York. This guide is written in "lay language" and is designed to be the basic text for training these persons by our qualified staff in how to recognize and properly assess the special needs of veterans in their eligible population. Further, the guide is designed as a "desk top reference" to help these same persons be able to access the persons in the matrix of veterans services who can assist the individual veteran with his or her problem(s) that need to be addressed before he or she can succeed in a training program. We will be doing "on-site" training in each of the 32 SDAs, in cooperation with the New York State Job Training Partnership Council, the New York State Division of Veterans Affairs, the veterans service organizations and others in the course of the next 15 months, using the "Guide" as the basic text.

We are doing our best to fulfill both the letter and the spirit of the federal statutes. We believe that New York State's Veterans Bill of Rights for Employment Services is helping to improve the level of service in each of our facilities. We know this by the reduced number of complaints we get on the toll free number. In June of 1988, we had 56 calls from veterans who complained about the treatment they received in our offices. For the last six months, we have averaged less than three complaints per month, out of a total of 600 calls per month received.

Disabled Veterans

We have instituted a number of special emphases to better serve profoundly disabled veterans. The first of these is PROJECT AMER-I-CAN, an initiative to serve blind and visually impaired (i.e., legally blind) veterans. This project was designed and implemented with the cooperation and leadership from James J. Hartman, Director, Veterans Employment and Training, United States Department of Labor for New York State. In addition, the Blinded Veterans Association provided training and assistance in how to reach and serve blind veterans. The New York State Division of Veterans Affairs and the United States Department of Veterans Affairs also provided major contributions to the success of this effort.

In a 15 month period, we reached over 90% of the blind veterans in New York State, provided reportable services to more than 800, and were able to assist 32 in obtaining full-time employment. Now, 32 may not sound like many, but that exceeded the national total of the previous year. We are now engaged in OPERATION ASSET, to reach, serve and place veterans who are "less than fully ambulatory." 319 veterans are currently participating in this program and over 60 of these veterans have been placed in jobs in the last six months.

H. R. 4087

I have described what we are doing in New York State to demonstrate that we have only begun to explore the potential of reaching and properly serving those veterans who are still in need. Approximately 100,000 veterans per year seek our services. This program year we anticipate that we will see approximately 40,000 Vietnam Era Veterans and about 8,000 disabled veterans. We are trying to do a better job of reaching and serving the disabled veterans, but this extremely "labor intensive" work often requires us to really go out, seek and find these vets in other locations and serve them one by one; and we are doing this. But the job is by no means finished.

I cannot stress too strongly that the Disabled Veterans Outreach Program should be made permanent. While we appreciate your move to seek a five year extension, I would urge you to simply make the program permanent and concentrate on how to improve its effectiveness and ensure the efficacy and effectiveness of priority of service to all veterans with preference for veterans with 30% or more service connected disabilities. Obviously, this only is meaningful if there is a healthy, vital system within which to accord priority of service, which means adequate, stable and proper full funding from the Federal Unemployment Trust Account (FUTA).

In regard to the individual provisions of H. R. 4087, I offer the following comments for your consideration:

Section 1: Employment and Training

The obvious intent of this section is to make it legal for the State Employment Security Agencies and the Disabled Veterans Outreach Program Specialists to reach members of the Armed Forces who are about to separate from service prior to their actual departure date. New York supports this provision. It is our belief that it is both more efficient and effective to reach persons leaving the Armed Forces prior to separation. We have been struggling for the past year to obtain the names and addresses of separating veterans in usable electronic form. It appears that we have finally found a way to secure this information on our own without the assistance of the U. S. Department of Labor Central Office, which was unable to help us.

It is our understanding that approximately 240,000 persons leave the service each year as a result of "normal" attrition, and that as many as an additional 270,000 may be leaving military service as a result of force reductions in each of the next three years.

For New York, this means that about 500 return to civilian status each week now, and that this figure may double in the near future. We are determined to do everything we can to reach and properly serve these persons. In fact, we are already making a special effort to identify and serve veterans who have or will be released from their duties due to a Reduction In-Force.

There are two important things to bear in mind here: first, all of the WORKFORCE 2000 studies show that our nation needs these skilled persons in order to meet the demands of business. The shortage of skilled workers is already adversely affecting economic growth in some regions of New York State.

Second, it is only right and fair that we do everything possible to assist these returning veterans who are truly dislocated workers in that these men and women are losing their jobs (and sometimes their planned careers) through causes that are no fault of their own, but due to changes in the international situation we face as a nation.

Section 2: Committee on Veterans Employment

We have no comment on this section other than to note that we believe that full and frank exchange of information, ideas, and close working relations with the organized veteran community, as well as with the organized labor and business communities is essential to the effectiveness of any veterans employment and training effort. Anything that enhances such open exchange is, therefore, a good thing in our view.

OTHER ISSUES

I would be remiss if I did not at least briefly comment on a number of other issues.

First, the Honorable Tom Downey of New York has introduced H.R. 3896, which would provide a stable and reasonable adequate funding base to the States to operate the Nation's employment security system. With some modifications, we support this initiative. I would draw your attention to the fact that this proposed legislation also would restore a full 26 weeks of Unemployment compensation to separating military personnel, which we believe is only fair and just.

Second, Section 2006 of Chapter 41, Title 38 United States Code requires that the United States Secretary of Labor request full funding for the carrying out of all provisions in this chapter. We have some cause to believe that the Office of Management and Budget is preventing the Secretary from carrying out the law. All of us, whether we serve as a member of Congress, a DVOP, a Local Office Manager, State Commissioner of Labor, or the Director of the Office of Management and Budget should be bound to obey the law and not act in such a way as to cause another to violate either the letter or the spirit of the laws of the United States of America.

Third, the National Veterans Training Institute (NVTI) at the University of Colorado at Denver is operating, pursuant to provisions of Chapter 41, Title 38, United States Code. They are doing a fine job, within their funding limits. However, I would stress that veterans priority of service can only be effectively delivered if all of the members of the State Employment Security Agency understand their responsibilities and how to effectively meet those responsibilities. There is a disturbing trend to prevent DVOPs and LVERs from participating in IAPES, ICESA, and other training and professional development activities and to turn NVTI into a training school only for DVOPs and LVERs, to the exclusion of Local Office Managers, supervisors, employment counselors, and many others who are absolutely vital to the delivery of veterans priority of service.

In New York alone, we have over 200 persons who need the training at NVTI and who we cannot get a place in the classes, some with applications pending over two years. We want to do the job, but need the support that should be there from the federal level, and which we believe the Congress intended be afforded to us.

Fourth, I wish to commend Mr. James Lowe of the Georgia Department of Labor for his strong leadership the past two years as Chair of the ICESA Veterans Committee. I particularly wish to thank Mr. Lowe and the Honorable Thomas Collins, Assistant Secretary of Labor for Veterans Employment & Training for producing "Veterans: It's All We Need To Know," which we in New York are using extensively for outreach and eduction to business groups, veterans groups, community groups, and even in training our own staff.

And finally, I wish to acknowledge two gentlemen that have made New York State one of the leaders in providing employment services to veterans--Rick Weidman, New York State Veterans Program Administrator and James Hartman, Director of Veterans Employment and Training for the United States Department of Labor. Not only do I consider myself fortunate to have these two committed gentleman working in New York State, but more importantly, the veterans who reside in or return to New York are lucky to have these individuals working on behalf of their interests.

Again, I wish to thank you Mr. Chairman for your continued strong leadership and that of this Committee toward improving the quality and the quantity of employment and training services for our Nation's veterans, particularly disabled veterans. We strongly support H. R. 4087, and urge speedy passage by both the House of Representatives and the United States Senate, so that we can be assured of full and proper funding in Fiscal Year 1992.

I would be happy to answer any questions you and the Committee may have for me

NCOA

Non Commissioned Officers Association of the United States of America
225 N. Washington Street • Alexandria, Virginia 22314 • Telephone (703) 549-0311

STATEMENT OF

THOMAS L. RYAN

DIRECTOR OF STATE/VETERANS AFFAIRS

before the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

COMMITTEE ON VETERANS AFFAIRS

U.S. HOUSE OF REPRESENTATIVES

on

LABOR PROGRAMS FOR VETERANS

April 25, 1990

The Non Commissioned Officers Association sincerely appreciates this opportunity to share with the committee its views on the Labor Department's programs for Veterans. We begin by extending our gratitude to this committee and its staff for your efforts to protect and enhance veterans training and employment programs.

TRANSITION PROGRAMS

Mr. Chairman, for the past sixteen years the Non Commissioned Officers Association has, through its Veterans Employment Assistance Program, been actively involved in providing transition assistance to servicemembers leaving the Armed Forces. Our association conducts Veterans Job Fairs and Job Seekers Workshops across the United States, as well as overseas. These workshops and job fairs are aimed at providing both veterans and separating servicemembers the knowledge and exposure to industry needed to find meaningful employment in our nations civilian work force. We believe that in todays ever changing job market it is imperative that individuals who are separating from the armed services of our country be provided with the very best in counseling and factual information to eliminate as many barriers to employment as possible. Recently NCOA has entered into an agreement with the Department of Labor, Office of Veterans Employment and Training to assist them in conducting Job Fairs in major military areas around the country. It is our belief that this type of cooperative effort between the government and private sector is needed to insure the success of any transition program.

NCOA appreciates the efforts of the ASVET staff to develop a workable transition program within the guidelines established by the Congress. However, we feel this effort may be too little too late if existing time lines for implementation of the program remain in place. The present draft calls for a test to be conducted at 10 selected military installations over a two year period, with resources to be taken from the existing budget. NCOA believes that with the current move to "down size" the Armed Services, a two year test period may leave many servicemembers forced out of the service without the necessary transition program they need. Accordingly, we urge that a six month test be conducted, and that full implementation of the transition program be scheduled for the fall of 1991. Mr. Chairman, this is a classic case of pay now or pay later. Either pay now to establish a program that assists a potentially vast number of servicemembers to find employment immediately upon exiting the service, or pay later in unemployment compensation costs, and the personal tragedy associated with unemployment.

H.R. 4087

NCOA applauds the Chairman's efforts, as articulated in HR 4087, to expand the definition of veterans of the "Vietnam Era" from the current cut off date of December 31, 1991 to December 31, 1992, and to establish a Secretary of Labor's Advisory Committee on Veterans Employment and Training. It is our belief that the current Vietnam Era cut off date, contained in Section 2011 of Chapter 42 USC, leaves many veterans without a safety net to assist them in seeking employment. It should also be noted that some of the servicemembers who may be released by the services during this current force reduction may in fact be Vietnam Era Veterans who would not be able to avail themselves of the benefits contained in Chapter 42. Given the nature of military service, it would appear that all veterans should be considered eligible for all Veterans Employment and Training Services. Accordingly, we suggest elimination of the cut off date entirely concurrent with a realignment of the DVOP and LVER formula to reflect the total veterans population.

ADVISORY COMMITTEE

NCOA has long held that the current makeup of the Secretary's Committee on Veterans Employment and Training, both in size and composition, render it ineffective in dealing with many of the issues facing veterans employment and training. The establishment of a congressionally mandated advisory committee, and the selection of a chairperson from outside the Department will go a long way toward establishing a new and more effective means of addressing future issues.

NCOA agrees with the proposed makeup of the committee as contained in HR 4087. However, we would request that a permanent voting position on the committee be established for a member of industry involved in veterans employment. We believe this will provide a point of reference that has been lacking in the current committee makeup. In addition, we would ask that adequate funding and administrative assistance be provided so as to afford the committee an opportunity to visit and hold meetings outside of the Washington area, thereby expanding their insight into the training and employment needs of veterans across the country.

JTPA

The NCOA continues to be extremely concerned about the continued lack of funding for JTPA programs affecting veterans. During the past few months we have received information that a number of State Employment Service Offices have decided that the voluminous paperwork associated with Title IV (c) grants is not worth the effort because of the size of the grants involved. NCOA deems it a tragic circumstance when assistance to veterans is predicated on the amount of paperwork involved. While veterans may participate on a non-priority basis in other programs under JTPA, we believe that the entire JTPA program needs to be redefined. NCOA thinks veterans should receive a proportionate share of, and be included as an individual entity in all JTPA programs. NCOA asks this committee, in conjunction with the Labor and Human Resources Committee, to look at overhauling JTPA with a view toward reducing the administrative burden on those who request grants through this program.

NCOA is also concerned about the lack of enforcement in the Federal Contract Compliance area. We understand that while employers continue to abide by the required reporting procedures, little if any of the information gathered is being utilized for the purpose intended. We are encouraged that a change of enforcement authority from the Office of Federal Contract Compliance Programs to the ASVET is imminent, and we believe that once accomplished veterans will have legal recourse which they have been lacking in the past, due to OFCCP's efforts.

REEMPLOYMENT RIGHTS

The ASVET and staff should be commended for the development of a New Veterans Reemployment Rights Act. NCOA has long believed the current Act was written by, and for lawyers with little attempt to make it comprehensible to those most impacted. It is our understanding that the proposed Act is presently being reviewed within the Administration and has met some minor obstacles over the question of enforcement at OPM and the Department of Justice. We urge this committee to shake this long awaited Veteran Reemployment Rights Act loose, so that it may be acted upon by Congress.

NVTI

The National Veterans Training Institute (NVTI) has been a substantial success, providing valuable and timely training to DVOPS, LVERS and others. However, recent reductions in funding for the Institute will reduce the student flow significantly over the next year. NCOA recognizes the problems associated with funding, but believes this reduction is ill timed. It is our belief that funding should be found to continue and expand this worthwhile and necessary Institute. We were especially pleased to learn that DOL intends to begin charging other agencies for training received by their employees. Since NVTI is a National Training Institute, its scope should encompass all agencies which deal in the Veterans Employment arena. Another issue which needs to be addressed by DOL and NVTI is the development of exportable training packages for their various courses. Such courses could be taught around the country, thereby reducing the cost associated with sending individuals to Denver for training. We would also like to see the current NVTI contract period extended from the current two years to four or five years. The current two year bidding process is very disruptive and has a negative impact on the NVTI's ability to continue the much needed education process.

VETS FUNDING

Mr. Chairmen, we are somewhat concerned about what may be construed by some to be a lack of commitment to veterans employment and training by the Department of Labor. We are of course speaking of the recent budget request which will cause a reduction in DVOPs and LVERs below congressionally mandated levels. These reductions, should they come about, will place added stress on existing resources at a time when such resources will already be feeling the strain associated with increased separations from our Armed Forces. We ask the committee to seek additional funding resources for total staffing of the required positions.

CONCLUSION

Mr. Chairmen, again we thank you, for the opportunity of participating in these hearings and we look forward to continuing to work with the committee in assuring that our veterans receive the necessary education and training they require to take their place in America's work force.

STATEMENT OF

ROBERT MANHAN, SPECIAL ASSISTANT
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

THE EFFECTIVENESS OF CURRENT PROGRAMS CONTAINED IN CHAPTER 41 AND SECTIONS 2011 AND 2012 OF CHAPTER 42 OF TITLE 38, UNITED STATES CODE; THE JOB TRAINING PARTNERSHIP ACT AS IT AFFECTS VETERANS; AND, H.R. 4087

WASHINGTON, D. C. APRIL 25, 1990

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for inviting the Veterans of Foreign Wars of the United States (VFW) to participate in this hearing regarding veterans' programs for job counseling, training, and placement services. It is my privilege to represent the 2.8 million members of the VFW, which includes the 700,000 members of our active Ladies Auxiliary. We take a very strong interest in this subject which is not exclusively a VA program but rather a priority effort administered by the Department of Labor (DOL).

EFFECTIVENESS OF CURRENT PROGRAMS:

The programs contained in Chapter 41 and sections 2011 and 2012 of Chapter 42 of title 38 are administered by the Assistant Secretary for Veterans' Employment and Training (ASVET). Of course the VFW has historically been supportive of all efforts to help veterans reenter the workforce. However, this year we are very disappointed the Department of Labor (DOL) FY 1991 budget request is seriously inadequate and appears to violate both the spirit and the letter of the law as outlined in section 2006 of Chapter 41.

In this regard we focus on the National Veterans' Employment and Training Services Institute (NVTI) and the proposed number of Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representative (LVER) specialists envisioned by DOL for the coming fiscal year. The NVTI located in Denver, Colorado, is the center that trains all DOL personnel who are involved in the business of veterans' job-training, counseling, job-search, job-placement, and related veteran employments activities.

In FY 1990 this activity was authorized $2.1 million and could train some 1,700 participants. The FY 1991 budget request is for $829,000; a decrease of 61 percent in monies that will result in only some 500 participants receiving needed training. This training program problem is especially serious when we consider some key factors that impact on the DVOP and LVER specialists. First is the historical 15 to 20 percent personnel turnover rate they experience each year. Using just the lower figure for the presently assigned people, more than 500 of them will leave the program within a 12 month period. Second is the fact that additional new programs for FY 1991 will involve more time and more effort on the part of DVOP and LVER specialists. Accordingly, we ask Congress to take the necessary steps to ensure DOL meets it mandated responsibility to veterans by fully funding its $2.7 million training obligation to the University of Colorado for this program in FY 1991. This will allow between 1,800 and 2,000 trainees to benefit from the program.

Next under discussion is the DVOP and LVER staffing levels as authorized by existing formulas, to provide each state with these specialists who are devoted to the vocational readjustment needs of disabled veterans as well as other veterans.

By definition the DVOP priorities are first to serve disabled veterans of the Vietnam era, with emphasis on those veterans who are participating in or have completed a program of vocational rehabilitation. Their second priority is to other disabled veterans and, last, to all other eligible veterans. This would include the economically and/or educationally disadvantaged veteran and those active duty service members who are within six or fewer months of being separated from the Armed Forces.

Accordingly, we ask the House Veterans' Affairs Committee to support the action already taken by the Senate Committee on Veterans' Affairs to ensure a fully funded DVOP program. DOL has requested for FY 1991, $74.5 million for 1,730 full time employees (FTEEs). This is 92 percent of the full requirement. An additional $6.6 million is needed for another 153 employees to meet the full 1,883 manning level.

There is a similar problem with the LVER program. By definition these people perform a primarily managerial function at various locations throughout the United States, Puerto Rico, and the Virgin Islands. They perform labor exchange services to veterans offered or provided through state and local community job service offices.

Again DOL's FY 1991 budget request is low. They asked for $68.6 million to meet a staffing level of 1,465 persons; this is less than 92 percent of the originally established requirement. And once again the Senate Committee on Veterans' Affairs has initiated action to request an additional $6.3 million to hire another 135 LVER specialists to meet the authorized total of 1,600 workers.

The VFW feels so strongly about these collective programs that we passed two resolutions at our last National Convention. They are Resolution Number 664, "Funding of Veterans' Employment and Training Service and LVER and DVOP" and Resolution Number 681, "Provide Sufficient Funds to Veterans Employment and Training Service and State Employment Service to Comply With Title 38, U.S. Code, Chapters 41, 42 and 43." Copies of these resolutions are attached to this statement to emphasize the importance we give to fully funding these Congressionally mandated veterans employment assistance efforts.

JOB TRAINING PARTNERSHIP ACT (JTPA):

This is a broad-gauged program funded by Department of Health and Human Services as a national training effort. However, as you recall only a small discretionary program under Title IV, subpart C of the Act addresses the needs of veterans. Historically this veteran's portion has been funded annually at about $9.5 million. Generally speaking the VFW believes Title IV-C should be rewritten to improve and modernize the veteran's program. One of our specific criticisms is that state grants are too small, therefore, states can at best only fund pilot projects that seldom have continuity. Also, the awarding of these grants are often subject to political influence rather than the real needs of veterans at local levels. One final point, the current grant program is so administratively complex some nine states have declined to participate, regardless of their respective veterans' employment and/or job training needs.

Based on the above criticisms and the fact that veterans account for 15 percent of today's U.S. labor force and that one out of every five dislocated worker is a veteran, the VFW offers the following recommendations:

- establish a Veterans' Vocational Training and Retraining program;
- provide temporary income support during training and/or retraining;
- mandate preferential services for veterans in all programs authorized by the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA);

- require state administrative entities to submit at the beginning of each contracting period a proposed program of veterans services and the estimated cost, to be followed at the end of the contracting period by a summary report of actual accomplishments for veterans and the actual expenditures;
- urge the Governors of each state accepting Title IV-C funds to appoint veteran service organization representation, such as the VFW, on all State Job Coordination Councils and local Private Industry Councils; and, lastly
- Congress must adequately fund programs under Title IV-C at a realistic figure of $60 million annually for the next several years.

Our goal is to make Title IV-C a dynamic meaningful program that will address the Department of Labor (DOL) study entitled "Workforce 2000, Work and Workers for the 21st Century."

A more detailed rationale for these recommendations are contained in the attached nationally approved VFW resolutions. They are Number 649, "Veterans' Vocational Training and Retraining Program"; Number 650, "Economic Dislocation and Worker Adjustment Assistance Act (EDWAA)"; Number 665, "JTPA Accountability"; Number 675, "Appoint Veterans Service Organizations Representation on State and Private Job and Industry Councils"; Number 739, "Adequate Funding for Title IV-C of the Job Training Partnership Act"; and Number 752, "Provisions for Veterans Training Under JTPA.

"H.R. 4087:

This bill is offered by Subcommittee Chairman Timothy Penny of Minnesota and the ranking Minority Member of the Subcommittee, his colleague Mr. Christopher Smith of New Jersey. The purpose is to amend title 38, United States Code, with respect to employment and training programs for veterans. The bill focuses on programs outlined in Chapter 41 and 42 of the Code. The former is entitled "Job Counseling, Training and Placement Service for Veterans" and the latter "Employment and Training of Disabled and Vietnam Era Veterans."

The VFW strongly supports all three key provisions of H.R. 4087 for the following reasons. First, it is absolutely necessary to extend the current delimiting or "sunset" date of December 1991 by the five years offered in the bill to December 1996. We recall that when Congress enacted the basic legislation that resulted in all the Chapter 41 programs, it did so after stating that:

> "As long as unemployment and underemployment continue as serious problems among disabled veterans and Vietnam-era veterans, alleviating unemployment and underemployment among such veterans is a national responsibility."

The VFW realizes these same problems continue to plague a great number of veterans at the present time. While the percentage of unemployment among Vietnam-era and disabled veterans is slightly lower than unemployment among the general U.S. workforce, there remains an alarming number of veterans who have not benefited from any of these existing ASVET programs. This group of veterans, conservatively estimated at more than 300,000, is considered chronically unemployed. The Bureau of Labor Statistics (BLS) defines them as "hard to reach veterans, hard to serve, and hard to place." An agency profile further shows this group to be comprised largely of African-Americans, Hispanics, and women. Obviously, many are homeless, educationally deficient, underskilled, and have family and service needs which often exceed the resources of existing employment programs.

Furthermore, we have every reason to suspect the issue of underemployment is an even bigger problem among Vietnam-era veterans. We use the term "suspect" because DOL presently counts such persons as "employed." However, the mail we receive through our various state offices and the individual inquiries we receive from our VFW field personnel indicates strongly that underemployment is a real problem that must be addressed. Accordingly, the VFW strongly believes the staffing levels of DVOP and LVER specialists must not be reduced below their present authorized levels.

The second major advantage to H.R. 4087 is expand eligibility to participate in Chapter 41 and 42 programs to selected active duty personnel. The VFW supports the proposal to expand the duties of DVOP and LVER specialists by allowing them to provide employment and training information and services to those active duty military personnel who are within 180 days of their estimated separation or retirement date.

According to Department of Defense (DOD) figures approximately 300,000 Armed Forces personnel are routinely discharged each year. Furthermore, with the recent changing US-USSR political climate and the general move toward democracy throughout eastern Europe, DOD is considering a drastic reduction in the active duty forces. Should early troop reduction estimates become fact, an additional 30,000 to 40,000 military personnel will be separated annually, beginning this calendar year and continuing for the next four or five years.

The bill's provision to provide counseling, employment and training information as well as associated services to their group of "soon-to-be" veterans has two distinct advantages. First, the individual will benefit from the DVOP/LVER knowledge of the existing civilian workforce needs. This more quickly enables a veteran to gain some familiarity with the job requirements and to focus on work career choices. At the same time the DVOP/LVER specialists can provide early feedback to DOL/ASVET to allow that agency to better determine what other special employment and training needs, if any, must be made; and to more effectively meet such needs.

The third major proposal of H.R. 4087 is to replace the present Secretary of Labor's Committee on Veterans Employment with the Advisory Committee on Veterans Employment and Training. This action has the distinct advantage of putting teeth into this new Committee by requiring a long recognized VFW need for a meaningful annual report to assess veterans' immediate employment and training progress and their future requirements.

As previously stated, the VFW has recognized the need over the past few years for many of these changes. Accordingly, we ask the Subcommittee Chairman to consider adding to his bill the Assistant Secretary of Labor for Employment and Training Administration as an ex-officio member of this new committee. Our recommendation has the distinct advantage of making more meaningful the second reporting requirement for:

> "an evaluation of the extent to which the programs and activities of the Department of Labor are meeting such needs" (emphasis added).

This suggestion incorporates the essence of the two important VFW Resolution Numbers 673 and 676 entitled "Veterans Preference in Job Market" and "Conduct Review of Policy and Decision Making Process in Department of Labor As It Affects Veterans." Copies of both are attached.

Our closing remark on H.R. 4087 is to offer any and all VFW assistance between now and the proposed sunset date of December 1996 to reevaluate and restructure the job counseling, the job training, and the job placement needs for all veterans to more effectively compete in the highly skilled and highly technological workplace of the 21st Century. Any job in the future that won't require a great deal of skill or a high degree of technical judgment will be performed by a machine. And we hope that machine doesn't bear the label "Made in Japan!"

In fact it was in April 1988, two years ago, the DOL Secretary's Committee on Veterans' Employment (SCOVE) sponsored the national forum "Workforce 2000 and America's Veterans." The group concluded, in part, that by the year 2000 veterans in the labor force will fall into two categories; Vietnam era and post-Vietnam era. Further, this group concluded that a national employment and training policy for veterans should be formulated to provide the flexibility required to meet the differing needs of these two age groups.

The VFW strongly supported these findings then and we believe the thrust of our testimony today continues to do so. This concludes our statement Mr. Chairman. I shall respond to any questions at your convenience. Thank you.

Vietnam Veterans of America, Inc
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(202) 332-2700

STATEMENT OF

VIETNAM VETERANS OF AMERICA, INC.

Presented By

PAUL S. EGAN
LEGISLATIVE DIRECTOR

Before The

HOUSE VETERANS AFFAIRS SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

on

VETERANS EMPLOYMENT AND TRAINING ISSUES

APRIL 25, 1990

Mr Chairman and members of the Subcommittee, the Vietnam Veterans of America, Inc. (VVA) appreciates this opportunity to present its views on veterans employment and training issues generally and on the specific subject matter of this hearing particularly. We note in the letter of invitation to today's hearing the absence of inclusion of a bill, HR. 4088, introduced by the Subcommittee's Chairman and Ranking Minority member, on the agenda. This particular bill would remedy some of the serious problems in the Veterans Readjustment Appointment Authority program (VRA) resulting from legislation enacted late last year. It is hoped we can rely on the committee to take this measure up in earnest at a later date. The corrective action contemplated in HR. 4088 is both needed and warranted and the VVA is prepared to support this measure fully.

HR. 4087

Another measure, HR. 4087, also introduced by the Subcommittee Chairman and Ranking Minority member, would accomplish three objectives all of which, as we understand them, the VVA is pleased to support. The first objective is to authorize Local Veterans Employment Service Representatives (LVER) and Disabled Veterans Outreach Program specialists (DVOP) to provide service to members of the armed forces who are preparing to leave the military.

These largely post Vietnam era veterans can be increasingly expected to need services in the employment arena, most especially given the planned demobilization soon to get under way as a result of events in Easter and Central Europe as well as in the Soviet Union.

Making these DVOP and LVER services available is an important step but probably will be insufficient alone to prevent a glut of demand for work resulting from demobilization. Similarly, an already strapped national labor exchange system can hardly be expected to alone provide needed assistance without added resources. In this connection, it is wise to consider including in this measure a restructured formula for determining the numbers of LVERs and DVOPs that are required to be on hand based on the number of Post Vietnam veterans in the general population.

In pursuing the general theme that State operated job service offices around the country cannot alone be given responsibility for handling the expected demands resulting from demobilization, there are two additional suggestions worth consideration by the committee. Perhaps it would be appropriate to determine ways in which the Montgomery GI Bill could be enhanced as a way of channeling more of these veterans into education and training than would normally be the case. One possible way of doing this would be to provide enchanced educational benefits to those who through no fault of their own are being discharged pematurely.

Another suggestion for committee consideration would be to provide targeting of these individuals under title III of the Job Training Partnership Act (JTPA). This title is designed to assist dislocated workers. It does, after all, seem clear enough that service personnel being discharged prematurely in a demobilization for the good of the services are indeed dislocated workers.

On this particular topic it is worth digressing for a moment to note that veterans, war-time veterans or otherwise, have never been targeted in the JTPA. They should be and we are working hard this year to assist in developing a legislative vehicle to accomplish just that, one hopefully that will be received favorably by the House and Senate Labor Committees.

The second laudable objective of HR. 4087 would extend by five years, until 1996, the statute of limitations on the Vietnam era. Because this statute of limitations, the so called "drop dead" date, would seriously affect at least three vital programs we know of, the extension is a wise move at this time. The VVA, however, would prefer to see the statute of limitations on the Vietnam era removed altogether.

The programs we know about that would be affected in this regard are the LVER and DVOP programs as well as a program designed to prevent descrimination against veterans by federal contractors. As we all know, the formulae for how many LVERs and DVOPs is heavily dependent on the viability of the Vietnam era as defined in section 2011(2)(B) of title 38. Similarly, if the "drop dead" date were allowed to lapse without remedial action, it would become perfectly legal for federal contractors to descriminate against Vietnam veterans with impugnity. What an absurd outcome that would be!

Each of these are programs we are sure would be affected by allowing the December 31, 1991 "drop dead" date to pass. What we are unsure of is whether other programs might also be affected. To remedy this, we believe it is appropriate to suggest this committee request an expedited review by the Congressional Research Service (CRS).

The third and final provision of HR. 4087 would recodify and reconfigure the Department of Labor Secretary's Committee on Veterans Employment. This committee, otherwise known as the SCOVE, is incapable of serving in any meaningful capacity as an Advisory Committee. It is so top heavy with political appointees from the assorted relevant agencies that it is unable, no matter how well intended its individual members, to objectively evaluate existing programs or make meaningful recommendations.

Two recent examples provided a vivid demonstration of this point. At its meeting last Spring and again at the most recent quarterly meeting of the SCOVE, the committee was unable to conduct business because proposals for committee consideration were contrary to the Administration's budget policies. What can be said of the potential for an advisory committee to be dispassionately capable of providing objective guidance to the Labor Secretary, if nearly half of the committee's members must either refrain from voting or cast abstention votes during official conduct of committee business?

Mr Chairman, having worked with your subcommittee staff on developing these provisions in HR. 4087, we are satisfied that they should work well in restoring the SCOVE to legitimate workability. Lacking a meaningful reconfiguration of the SCOVE, it is tempting to consider ignoring it as a functional forum for policy analysis and development.

STATEMENT OF
JOHN C. BOLLINGER, ASSOCIATE LEGISLATIVE DIRECTOR
PARALYZED VETERANS OF AMERICA
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
OF THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
CONCERNING
DEPARTMENT OF LABOR EMPLOYMENT AND TRAINING PROGRAMS
AND
H.R. 4087, a bill to amend title 38, United States Code,
with respect to employment and training programs for veterans.
April 25, 1990

Mr. Chairman and Members of the Subcommittee, it is a pleasure and personal privilege to appear here today on behalf of Paralyzed Veterans of America (PVA), a Congressionally chartered veterans' service organization. PVA appreciates this opportunity to present its concerns as they relate to your review of the effectiveness of current employment and training programs conducted by the Department of Labor which affect our Nation's veterans. We also want to thank you, Mr. Chairman, and Ranking Minority Member Chris Smith for introducing H.R. 4087.

Over the years, providing counseling services, training and employment opportunity to the nation's veterans and disabled veterans has proven to be a beneficial program for the government, the private sector and especially for the disadvantaged individual needing assistance in job placement. Today, these programs are no less important and continue as one of the most significant benefits available to former military personnel.

The Department of Defense will greatly reduce the personnel strength of the U.S. Armed Forces over the next several years. In addition to the regular discharge rate, the increasing numbers of military personnel who will be terminating service in the Armed Forces raises the necessity of properly preparing for their transition to civilian status.

Mr. Chairman, your vision to introduce H.R. 4087 by expanding and extending eligibility provisions for employment and training information and services to members departing services in the Armed Forces is thoughtfully crafted and most timely.

PVA supports the provisions of your bill to amend title 38. In particular, we believe it is warranted and cost effective to extend the authority for the Department of Labor (supported by the Department of Defense) to administer this program through the existing Veterans' Employment and Training Programs that coordinate the States' Disabled Outreach Program Specialists (DVOPs) and the Local Veterans' Employment Representatives (LVERs). This is totally within their mission as defined to provide: "employment and training information and services to individuals serving on active duty with the Armed Forces who are within 180 days of the estimated date of such individual's discharge or release from active duty under conditions other than dishonorable, including those who are making a determination of whether to continue as members, or be discharged or released from, the Armed Forces."

PVA also supports the provision to extend the termination date of the DVOPs' and LVERs' programs from 1991 to 1996.

PVA reiterates its belief that all service disabled veterans, regardless of their period of service, should receive permanent and foremost preference in employment training and job placement programs.

PVA supports the provision of the bill contained in SEC. 2. COMMITTEE ON VETERANS' EMPLOYMENT to amend title 38, USC and expand the criteria, duties and responsibilities of DOL's "Secretary's Committee on Veterans' Employment" to the re-established "Advisory Committee on Veterans Employment and Training." PVA is presently a member of DOL's advisory committee, SCOVE.

As a member of SCOVE, PVA is concerned that the Administration has requested an 8 percent (288 FTE) funding cut-back in the Fiscal Year 1991 proposed budget for the Department of Labor's DVOPs and LVERs programs. This is in utter disregard of the intent of Congress to maintain adequate staffing levels for both these programs. Further, it is contrary to the stated commitment of Secretary Dole who recently announced the signing of the $8.7 million contract to operate the National Veterans' Training Institute (NVTI) for the next three years in Denver, Colorado. "The National Veterans' Training Institute provides a unique service that helps the state agencies that work with us to increase substantially the employment possibilities for America's veterans having trouble finding jobs," Secretary Dole said. She further stated, "These men and women have made sacrifices to serve and defend the Nation, and we owe them a debt which we can never fully repay. NVTI, however, makes it possible for us to take a large step in that direction."

Inconsistent funding due to arbitrary OMB cuts contributes to the difficulty of successfully conducting essential employment programs intended to serve the needs of all people. As discussed earlier, it is also of great concern to PVA when considering the affects the cut-backs will have on the employment of veterans, disabled veterans and the estimated 250,000 military personnel who are being released over the next two years from the Armed Forces, in addition to the 250,000 others who are released annually.

As it pertains to the Job Training Partnership Act (JTPA), recently severe criticisms of alleged program abuses have appeared in the press. The issue is presently being addressed by the Department of Labor and Congress who have drafted proposals to increase accountability in the JTPA program. At this time PVA does not possess current data in reference to the administering of the veterans segment of the program, therefore we must reserve comment. However, we do believe, regardless of the prevailing stated concerns, we repeat that, due to serious funding cut-backs over the years, the JTPA remains severely underfunded.

In the meantime, we applaud Secretary of Labor, Elizabeth Dole, for her recent policy statement, "It is the policy of the Department of Labor to give full consideration to the employment, career development, and advancement of disabled veterans and other individuals with disabilities." PVA urges that qualified veterans receive preference in all employment programs.

In conclusion, Mr. Chairman, PVA urges the Congress to extend the expiring provisions of the Targeted Jobs Tax Credit (TJTC) contained in H.R. 2098, co-sponsored by 250 members of Congress. The TJTC serves as a link to connecting the non-traditional work force with employers through various other job programs including veterans training, state and local employer incentives. The non-traditional work force includes economically disadvantaged families, youth, immigrants, dislocated workers, workers with disabilities, military personnel discharged from the Armed Services and multitudes of others.

Mr. Chairman, PVA appreciates your continued efforts on behalf of the men and women who presently serve and have served the Nation. This concludes my statement, and I will gladly answer any questions that I can.

STATEMENT OF JAMES B. HUBBARD, DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION
BEFORE THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
APRIL 25, 1990

Mr. Chairman, we are pleased to be here today to offer our views on H.R. 4087. Please accept our congratulations on introducing this legislation, which we believe will both strengthen a system which has been successful at placing veterans in jobs, and add the flexibility necessary to begin to deal with those current members of the armed forces who will be released, in some cases involuntarily, from active duty to meet the reduced end strength requirements of this nation's military.

Section 1 of H.R. 4087 reorders the priority of services provided by the Disabled Veterans Outreach Program Specialists so as to include all disabled veterans who have completed a program of vocational rehabilitation under Chapter 31 of Title 38, other disabled veterans, and adding current members of the armed forces who are within 180 days of separation. It is this last group who will need the help of both state and federal government to ease their transition back into civilian life. Mr. Chairman, The American Legion supports efforts to make the system work more efficiently for those who need it.

This section of the legislation also amends Section 2004(b) of Title 38 to ensure that Local Veterans Employment Representatives become involved in the provision of services to separating members of the armed forces, while at the same time ensuring that the needs of the local veteran population are met by the local employment service staff.

Section 1 also extends the program, currently scheduled to expire at the end of 1991, until December 31, 1996. Mr. Chairman, this extension is an extremely important point with our members and we wholeheartedly endorse it. But, we will continue our efforts to eliminate an expiration date; in our view, veterans deserve priority service yesterday, today and tomorrow. This should be a permanent program.

There is one more part to the equation, however, which is not addressed by the bill, and which involves the formula for determining how many DVOPs will be funded by the federal government for each state. The American Legion is considering some alternatives to the current formula and will report back to this subcommittee on what we believe to be a definitive solution to an upcoming potential problem. Our overriding consideration at this point is that the system, which has to date been quite successful, not be dismantled. The extension will provide some breathing room and we look forward to some positive discussions on making it permanent with you and the other members of this subcommittee.

Mr. Chairman, we have examined with interest the proposal to reorganize the current Secretary of Labor's Committee on Veterans' Employment (SCOVE). Any committee which meets under the umbrella of the Federal Advisory Committee Act loses some of its flexibility in order that the requirements for record keeping and openness be met. That is right and proper, but it can also be a bit frustrating.

The SCOVE as currently organized is particularly difficult for those organizations who wish to communicate advice to the Secretary's budget through the Committee. There are nine or more members of the SCOVE representing federal agencies. Thus, when a budget matter is brought up by a representative from one of the veterans' organizations which is contrary to the budget request made by the President, all of the federal representatives either abstain or vote against the motion. The veterans' organizations are thus frustrated by the inability to communicate what they view as much needed guidance to the Secretary.

Therefore, it is with some large degree of satisfaction that we note the introduction of the amendments to Section 2010 of Title 38. Mr. Chairman, we support your efforts to turn this committee into what it was intended to be in the first place, that is, a forum "for the purpose of bringing to the Secretary problems and issues relating to veterans' employment."

Beyond the issue of reorganizing the Committee and expanding its duties and responsibility is the issue of funding. If travel costs for Committee members are to be reimbursed by the Department of Labor, then the agency must be properly funded to pay those costs. Likewise, since staff support from the office of the Assistant Secretary would be mandated by H.R. 4087, funds must be appropriated to hire and pay that staff. To require the Veterans' Employment and Training Service to absorb these costs in the existing budget is not realistic when discretionary funding for the agency is already earmarked for other critical needs. We would ask the support of the members of this subcommittee during the appropriations process in the future to ensure the achievement of the mission of the reorganized Committee.

Mr. Chairman, it has been an honor to appear here today, and we will welcome any questions.

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON EDUCATION, EMPLOYMENT AND TRAINING
OF THE
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
APRIL 25, 1990

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than 1.3 million members of the Disabled American Veterans (DAV) and its Ladies' Auxiliary, I am extremely pleased to appear before you today to discuss the employment programs administered by the Department of Labor (DOL), as well as H.R. 4087, which offers certain amendments to Title 38, USC.

Mr. Chairman, these hearings are particularly timely given the DOL's budget request for Fiscal Year 1991, the introduction of H.R. 4087, the DOL's initiative on the Transition Assistance Program (TAP/DTAP) and other recent activities.

FY 1991 Budget Request

Mr. Chairman, the DAV is extremely concerned that the Administration's request for the DOL's Veterans' Employment and Training Service (VETS) programs is by no means an adequate budget request. According to Section 2003A, DOL would need $79,076,000 for 1,883 positions under the Disabled Veterans' Outreach Program (DVOP). In spite of this, the Administration knowingly requested $74,473,000 which is sufficient to fund only 1,730 positions. This represents a $4.6 million shortfall and a reduction of 163 positions.

Public Law 100-323, among other things, established a formula for the assignment of Local Veterans' Employment Representatives (LVERs). Based on that formula, there is a mandate for 1,600 positions. If the Administration was to request full funding for those positions they would need $72,851,000. Again the request is short $4,243,000 and represents a reduction in 135 LVER positions.

If this budget request is maintained, we will lose 288 individuals who are mandated by law to provide employment services to our nation's veterans and disabled veterans.

In reviewing the DOL's Veterans' Employment and Training Services (VETS) budget briefing material, there is a comment under the "General Statement" that they are seeking appropriations to "maximize employment and training opportunities for veterans." Mr. Chairman that language is embodied in Section 2002, Title 38, USC. Thus the question must be asked, how can they maximize employment and training opportunities in view of such severe reductions?

Mr. Chairman, I know this Committee has always been supportive of adequate funding for DOL programs and we hope that joint efforts between the Committee and the veterans' service organizations will result in restoration of proper amounts.

Mr. Chairman, in preparation for this hearing, I reviewed an August 1989 General Accounting Office (GAO) report submitted to the Chairman of the Subcommittee on Employment Opportunities, Committee on Education and Labor, U.S. House of Representatives titled Employment Service Variations and Local Office Performance.

Regrettably, nothing in this report highlights services, benefits, or even the mandate to serve veterans through that system. But some very striking information is contained in the report which obviously impacts on veteran applicants.

The following are some highlights:

- the Employment Service (ES) provides job service assistance to over 18 million applicants a year (from July 1, 1988 through June 30, 1989, there were a total of 2.3 million veterans registered for those services. This is approximately 13% of all applicants);
- funding for the ES has not kept pace with inflation although its workload has remained roughly constant; from 1982 through 1987 funding levels actually increased to 19%. However, when adjusted for inflation there was an actual real dollar decline by almost 7% from 1984 to 1987;
- local and state offices varied greatly in their ability to place applicants in jobs;
- stronger performers tended to be concentrated in certain states;
- the ES is providing less individualized assistance to applicants and less guidance to applicants in identifying career choices than in the past;
- percentage of placements in permanent jobs ranged from 80% or more to less than 40%;
- local offices with above average performance tended to be concentrated in certain states. Florida, Georgia, Massachusetts, New Hampshire, North Carolina and South Carolina had twice the rate of local offices having above average performances;
- Michigan, New Jersey, Rhode Island and West Virginia had more than double the national percentage of local offices with below average performances;
- **above average states had lower costs for placement than those below average;**
- although the ES workload stayed about the same from 1980 to 1987, the number of local offices providing one-on-one assistance, providing counseling or testing services declined. State officials attributed these declines to **budget cutbacks**;
- since 1980, the number of applicants receiving counseling has declined by 50%. This is in spite of conclusions by researchers that counseling can play an important role in assisting ES staff members with obtaining additional information that can lead to better job matches (in program year 1989, less than 190,000 veterans were counseled). State officials attribute this decline to budget cutbacks;
- from 1981 to 1987, the number of counselors declined by 34%;
- testing has been shown to improve assessments of applicant's skills, abilities and to increase placements. Of 14 offices visited by GAO, four had

eliminated all testing services and eight had reduced the proportion of applicants tested.

When reviewing cost effectiveness of the ES, it is interesting that those states who are above average, actually have a lower cost per placement rate for all placements. This is also true for permanent job placements. For example, cost per placement for above average states, is $308 compared to $400 for below average states. In looking at permanent jobs, above average states placement costs are $337 compared to $370 for below average states.

It is obvious from these data that it is cost effective to be an above average state.

Disabled Veterans

Former Assistant Secretary Donald Shasteen established disabled veterans as a priority group within his administration. We are very thankful for Mr. Shasteen's efforts and further commend Assistant Secretary Collins for following that commitment. Mr. Collins and Secretary Dole have indicated disabled veterans are a priority and the DAV is very appreciative of that.

Several studies have validated the need for special emphasis on providing employment and employment related services to our nation's disabled veterans. Two studies by the DOL's Bureau of Labor Statistics, through the census bureau's Current Population Survey (CPS) found that approximately 100,000 disabled veterans have dropped out of the labor force. In addition, more severely disabled veterans have higher unemployment rates than non-disabled veterans and veterans with less severe disabilities.

In addition to the report released by DOL, the Department of Veterans Affairs (VA) did an analysis and released a report titled "Disability, VA Programs, and Labor Force Status Among Vietnam Era Veterans (October 1989)." Highlights of that report follow:

- disabled veterans are less likely to be in the labor force than nondisabled veterans. The likelihood of being in the labor force declines sharply as disability rating increases;
- the unemployment rate for disabled veterans is nearly one-third higher than the rate for non-disabled veterans;
- those with the highest rating (60% or more) have a lower unemployment rate. The report attributes this "to the fact that the most severely disabled among them might not be looking for work and would not be included in the calculation of the unemployment rate" (while this may be partially true, additional discussion will follow);
- disabled veterans are more likely to be employed in the public sector, in non manual, and part-time jobs than non-disabled veterans;
- 56% of the disabled veterans report they are having difficulty getting and holding a job because of their disability;
- 78% of the disabled veterans are in the labor force compared to 94% for the non-disabled veterans;

- the more severe the disability, the less likely the disabled veteran is working in the private sector. Less than half of disabled veterans with ratings of 30% or more work in the private sector compared to nearly 60% of those with ratings of less than 30%. (This is attributed in part to veterans' preference in government employment. While this may be true, it tells us that there is insufficient enforcement of affirmative action for disabled veterans in the private sector, this will be discussed later);

- disabled veterans are somewhat more likely to work part-time than non-disabled veterans, 5.4% versus 4.6% respectively. The proportion of disabled veterans working part-time increases as disability rating increases;

- approximately 13% of disabled veterans with a rating of 50% or more work part-time. This is more than three times the proportion of veterans with a rating under 30% who are employed part-time.

Mr. Chairman, as indicated above, there is some accuracy to the belief that because some of the more severely disabled veterans may not be looking for work, they would not be included in the unemployment rate and thus a lower unemployment rate would ensue. There is, however, another unsubstantiated theory that some of the more visible disabled veterans, i.e., those who use wheelchairs for mobility and certain amputees, are "attractive" to certain employers, who are in our opinion practicing tokenism. Because of certain legal requirements and in partial response to social awareness, employers will seek out more severely disabled veterans and put them in highly visible jobs so they can "take great pride" in what they are doing for disabled veterans. This is certainly not true in all cases, but it does occur.

Affirmative Action (Section 2012)

Existing provisions contained in Section 2012, Title 38, USC, intended to provide affirmative action and non-discrimination protection to certain disabled veterans are inadequate and ineffective at best. The BLS study points out that disabled veterans are less likely to be working in the private sector than in the public sector. We believe this is due, in part, to veterans' preference in the public sector and non-enforcement of affirmative action/nondiscriminatory provisions flowing from Section 2012, Title 38, USC.

These provisions require federal contractors to take affirmative steps to employ and advance in employment qualified disabled veterans. The regulations provide a complaint mechanism. A disabled veteran may file a complaint against a federal contractor, where it is believed the contractor is violating its obligation. Such a complaint basically carries with it three administrative levels. The original complaint is investigated by the area office, who in turn submits its findings to the regional office, who then issues a determination. If the determination is unfavorable to the veteran, a request for review may be filed with the Director of OFCCP in Washington, DC. If the Director finds there is no violation or is unable to otherwise satisfy the complaint of the disabled veteran, that veteran has no right to take the decision to court for further review. The discretion as to whether or not a veteran's case gets to federal court is one that rests solely with the OFCCP.

The U.S. District Court for the Northern District of Ohio has ruled in Harris v. Labor Department that Section 2012

"...neither provides nor precludes judicial review,...the statute directs OFCCP to 'take appropriate action' but does not elaborate. In its employment guidelines, [Section 2012] grants OFCCP permissive rather than mandatory authority to seek judicial relief." Because OFCCP decided the federal contractor did not discriminate against the individual, further rights of judicial review were unavailable.

To our knowledge, OFCCP has never taken a disabled veteran's case to court.

According to information available to us, there is a weekly meeting between officials of VETS and the director of OFCCP. We are encouraged by this and urge a continuing dialog between the two agencies.

However, we are further concerned that OFCCP has shown little regard for veterans' programs but rather has its major emphasis on programs for other covered populations (Executive Order 11246).

A recent article in the Affirmative Action Compliance Manual published by the Bureau of National Affairs, reveals OFCCP is restructuring their "compliance review programs that could have significant implications for major corporations under the 'glass ceiling initiative'. Federal compliance officers will focus for the first time on examining...how individuals are selected for key high level corporate jobs." It is common knowledge that the "glass ceiling" syndrome is in reference to the E.O. 11264 program.

At a Mid-Winter meeting of the American Bar Association's EEO Committee a high level official of OFCCP told those participants "We've gotten women and minorities into the pipeline, we haven't done much to get them into the top jobs."

An official in the Office of the Solicitor of Labor has indicated there is a shift "to cases filed in Executive Order 11246".

For these and other reasons, Mr. Chairman, we would like to offer the following recommendations for changes in Chapter 42, Title 38, particularly, Section 2012.

Employment "emphasis" needs to be changed to employment "preference" under federal contracts. Additionally, we believe based on complaints we have heard from around the country the recipients of other financial assistance need to be included under Section 2012. We also offer the following language to be added to Section 2012(a).

> Notwithstanding any other provision of law or contract such contractors or grantees shall provide preferential hiring treatment to eligible disabled veterans and veterans of the Vietnam era. Notwithstanding any other provision of law or contract, such contractors must exhaust all possible referrals from the local employment service office before utilizing any other recruiting source and it shall be an unlawful practice to discriminate against any eligible veteran on the basis of that veterans' status including any service-connected disability.

The annual report (VETS-100) required of federal contractors needs to be amended to include the total number of referrals from the employment service with a separate breakdown of veterans from the Vietnam era and disabled veterans.

We also suggest the focus of the VETS-100 be redirected. Currently, it is primarily used as a means to identify federal contractors. We believe the report should be used as a compliance and enforcement tool. For example, how many contractors have had compliance reviews as a result of the report; how many contractors have had sanctions or other action taken against them; and how many contractors have been put on notice they are in violation of the law.

We further believe these reports can be used to identify trends. From July 1, 1988 to June 30, 1989, there were 543,685 federal contractor job listings filed with the Employment Service. In spite of the fact there were more than 50,000 "special disabled" veterans registered for employment services, only 3,225 of these veterans got a federal contractor job. At the same time, 9,313 special disabled veterans were referred. Mr. Chairman, only one in three of those referred were employed. This, in our opinion, indicates a trend.

Eligible veterans also need to have the ability to pursue their complaint beyond the OFCCP level without OFCCP having final discretion which cases will be referred for court action.

Mr. Chairman, we are working on what we believe are other necessary changes to Chapter 42 which we would be happy to share with you and the staff at a later date.

Mr. Chairman, we believe the Department of Labor standing alone cannot address the employment and training needs of disabled veterans. Rather, a concerted effort must be undertaken by VETS and the Department of Veterans Affairs led by the Vocational Rehabilitation and Education division in consultation with the veterans service organizations to devise a plan that will address the needs of our nation's disabled veterans.

Such a plan needs to take into consideration the high number of disabled veterans who have dropped out of the labor force and the reasons therefore. If we are unable to identify the cause of this drop out rate, we are then unable to develop solutions.

TRAINING

Mr. Chairman, in a recent segment of "For Veterans Only", Assistant Secretary Collins told a panel that there was "not enough training available to veterans" and "We wish we had more job training for veterans."

We think it is substantially correct that the Job Training Partnership Act (JTPA) does not adequately serve the needs of veterans. If it is serving veterans to any extent, we do not know because the reporting system in place for Titles II and III does not include a separate report or identification of veterans status. We all know the only program specifically targeted for veterans is under Title IVc. This does not begin to scratch the surface, particularly when you look at the needs of the dislocated worker and homeless who are veterans.

Again, to the credit of Assistant Secretary Collins, he is pursuing employment for homeless veterans as a priority. We encourage him to continue doing that. However, little if anything is being done to identify and assist the dislocated worker who is a veteran. Earlier studies indicate that approximately 26% of all dislocated workers have veterans' status. By contrast, veterans comprise only about 14% of the civilian labor force. Veterans are therefore displaced workers at a rate almost twice their incidence in the labor force. They are not entitled to priority services under the existing Title III (JPTA), nor the new EDWAA program.

Mr. Chairman, we recommend Section 2013 of Title 38, USC, be amended to include the following language.

> Notwithstanding any other provision of law, veterans as defined by Section 2001 of this title shall be eligible to participate in any public service employment program, any emergency employment program, any job training program assisted under the Equal Opportunity Act of 1964, any employment or training program assisted under the Job Training Partnership Act or any employment or training (or related) program financed in whole or in part with federal funds. Further, these veterans shall be entitled to priority of services.

Again, the Department of Labor cannot do it all alone. Other resources such as the Department of Veterans Affairs' Vocational Rehabilitation and Education Service, as well as state vocational rehabilitation agencies may provide necessary retraining for certain disabled veterans. Community resources such as adult education and remedial training through local high schools and community colleges should be used.

Transition Services

As a result of recent legislation the Department of Labor's Veterans Employment and Training service is preparing to pilot transition services for active duty military personnel who are within 180 days of discharge.

They have developed two programs: Transition Assistance Program (TAP) and Disabled Transition Assistance Program (DTAP). DTAP is designed to provide additional assistance to those active duty military personnel who have a known disability and may be eligible for additional benefits.

The mandate for this program has been given to the Department of Labor with the assistance of the Department of Defense and the Department of Veterans Affairs.

To date, other than components of DOD showing their willingness to allow Department of Labor personnel to provide these services, we are not aware of any other commitment from DOD. It is our opinion that because DOD benefits directly from this program, i.e. higher retention rate and savings to their unemployment insurance costs, they should be more willing to commit resources, both financial and in kind, to this program. The Department of Labor must run and staff this program from existing resources. The Fiscal Year 1991 budget request for this program is only $225,000 for FY 1991.

While VA does not appear to benefit directly from this program they are the agency that provides benefits and delivers certain services to eligible veterans. This project can help identify those who may be eligible, especially those with potential service related disabilities. The VA's Department of Vocational, Rehabilitation and Education should be an integral part of DTAP.

We have already discussed the potential loss of DVOP and LVER personnel in the FY 1991 budget. These new duties have an obvious impact on what we believe are two few resources in this budget request.

We believe too much emphasis is on direct placement based on the idea that these individuals will be "job ready." There are those who will not have sufficient transferable skills and those with disabilities who will need to be retrained. Emphasis needs to be placed on these two categories of active duty people and an effort should be made to coordinate with VA to identify needed resources and have such resources committed to the project.

We are also concerned that there has been very little information and direction in this program directed to field personnel. Most of it has thus far been targeted to the bases on which the program will be run and while state level people have been involved very little if any discussions have been made with local personnel who will be actually administering the services. No overall plan or direction to the field has been developed, no specific responsibilities assigned other than at the national level (Major Tom Johnson), and no local coordination developed. We suggest that Assistant Secretary Collins immediately issue clarifying instructions to all involved.

Mr. Chairman, the DAV is developing its own program to provide these types of services to soon to be discharged military personnel. We will attempt, where resources allow, to work directly with the Department of Labor. In some areas, we plan on providing our own seminar at selected sights within our resources.

Mr. Chairman, this an exciting concept and one which we believe will be very beneficial to those active duty personnel who now need to make some hard choices about their futures. Many of them will be first time enlistees and have no practical experience in the civilian labor market. Others will be military retirees who have limited, if any, recent exposure to the civilian labor market. Both segments of this population are going to need the types of services the Department of Labor and the DAV is willing and able to provide.

Vietnam Era Veterans

Mr. Chairman, while it can be generally stated Vietnam era veterans are now doing relatively well in the job market, there are still those who can benefit from services provided by the Department of Labor. Additionally, there is insufficient evidence to show they are doing well with private sector federal contractor employers who have been mandated to target Vietnam era veterans since at least 1972.

Mr. Chairman, in reviewing employment service data for the period July 1, 1988 through June 30, 1989, we find that 336,594 Vietnam era veterans were placed in federal contractor job openings. At the same time more than one million Vietnam era veterans were registered with the Employment Service and 140,606 were referred to these job openings. Approximately 1 in 4 of those referred were actually placed. Given the fact that more than one million Vietnam era veterans sought assistance through the network of employment security agencies indicates to us that there is a need to provide services to these veterans.

Recent Congressional action led by the Senate Veterans Affairs Committee deleted Vietnam era veterans from eligibility for Veterans Readjustment Appointments (VRA). As you know, Mr. Chairman, with one minor exception DAV supported the bill introduced in this Committee which would have extended and expanded the VRA. We did not support the Senate version which expanded but deleted eligibility for certain Vietnam era veterans. We believe that action was a mistake and continue to believe that.

Accordingly, Mr. Chairman, we are very appreciative of your introduction of H.R. 4088 which we hope will move quickly through the House and that the Senate will take positive action.

Mr. Chairman, at the end of 1991, Vietnam era veterans will not be eligible for affirmative action and the number of DVOPs will dwindle significantly unless H.R. 4087 introduced by yourself and Congressman Chris Smith of New Jersey is enacted. The current definition of a veteran of the Vietnam era contained in Section 2011(2)(A) and (B) expires December 31, 1991.

For purposes of determining the number of personnel assigned under DVOP a formula based in part on a Vietnam era veteran population is used. The definition of Vietnam era veteran for that purpose derives from Section 2001(2), Title 38, USC and is defined as follows, "the term 'veteran of the Vietnam era' has the same meaning provided in Section 2011(2) of this title."

Mr. Chairman, your provision in H.R. 4087 extending the 1991 date to 1996 addresses this concern and we are very appreciative of both your and Mr. Smith's effort in this area and wish to let you know we support you totally.

We also support the other provisions contained in H.R. 4087. I would like to specifically comment on Section 2 "Committee on Veterans' Employment." Mr. Chairman, a Committee on Veterans' Employment was established administratively in the mid-1970s by former Secretary of Labor William J. Usery. That Committee was primarily an intra-agency function and the various veterans' organizations served. Committee meetings were structured rather informally and gave us an opportunity to discuss with the Secretary of Labor various employment and training programs as they affected veterans.

When President Reagan took office, Secretary of Labor Raymond Donavan determined that this type of Committee was no longer needed. The veterans organizations and Congress felt differently and Public Law 97-306 was enacted which among other things established the Secretary of Labor's Committee on Veterans Employment. This Committee has subsequently been referred to as SCOVE.

This new Committee was codified in Section 2010, Title 38, USC, and had been operational for almost 10 years.

The DAV, and we believe the other veterans' service organizations agree the present Committee is not functioning as we had hoped it would. The Committee differs from other advisory committees in that the Secretary of Labor is the Chair and the Assistant Secretary for Veterans' Employment and Training serves as Vice Chair. Also various federal agencies serve as "voting" members. Other advisory committees include federal agencies as "ex-officio" members without a right to vote. The Chair is generally appointed by the Secretary, but only the nonfederal government members have a right to vote.

Because of this structure the Committee is unable to vote on matters that may need to be brought to the attention of the Secretary because the federal members are unable to vote on something that may be contrary to Administration policy. We fully understand this dilemma.

We are also concerned, Mr. Chairman, that although the Secretary, by law, is designated to Chair the Committee, current Secretary Dole has not attended one meeting and her predecessor Secretary McLaughlin likewise attended no meetings. When William Brock was Secretary, he attended several but only what we considered in a token fashion. He would generally open the meeting and stay for approximately one-half hour.

Another concern about the existing structure is the Committee meets quarterly as mandated by law, but seldom do we meet for more than two hours. On other advisory committees I have served, we normally meet anywhere from two to three days. We believe two hours per quarter is an insufficient amount of time to address issues and make recommendations to the Secretary on matters of such importance.

Mr. Chairman, we believe Section 2 of H.R. 4087 addresses the concerns we have about the past activities of SCOVE. Accordingly, we support this section and suggest the following amendments. Section (c)(2) should be amended to include "or individuals representing organizations" following "not more than six individuals." Mr. Chairman, that would allow organizations such as the Interstate Conference of Employment Security Agencies (ICESA) or the International Association of Personnel in Employment Security (IAPES) to be represented. Both have very active veterans' committees.

We also suggest an amendment to that section that would allow the first Chairman to serve three consecutive years. We believe that much time will be needed to get the Committee on track.

Mr. Chairman, again we would like to thank you and Mr. Smith for your ongoing concerns and interest as well as your obvious willingness to address problems identified within the Department of Labor's Employment and Training Programs for our nation's veterans. We very much appreciate the ability to work closely with you and your staff on these issues.

NVTI

Mr. Chairman, we were pleased to learn that the Department of Labor has entered into a contract with the University of Colorado to continue the training program under the National Veterans Training Institute (NVTI). This program has proven itself to be very beneficial to all those who have gone through the various courses. The DAV has been working very closely with NVTI staff and have assisted in developing a separate curriculum on veterans' benefits. Several of our National Service Officer trainees have gone through the core program and have reported back to us they felt it was extremely beneficial.

Our concern now lies, Mr. Chairman, with the FY 1991 budget request which is definitely insufficient to maintain the level of training provided by NVTI. We believe this budget shortfall may also have an impact on the quality of future training provided by NVTI. We are therefore urging Mr. Collins to do everything possible to assure NVTI receives the funding needed to maintain the level of services and quality of instruction as well as meet the contractural obligation the Department of Labor has with the University of Colorado.

We assure you of our continued support for this most worthwhile innovative program.

Public Law 100-323

Mr. Chairman, in preparation for these hearings, we have reviewed the provisions of Public Law 100-323 enacted into law in 1988. The Department of Labor has had approximately two years to implement the provisions of this law.

Some of the provisions we believe which have not been addressed follow: the requirement that the Department of

Defense provide VETS any list of employers maintained by DOD who participate in the National Committee for Employer Support of the Guard and Reserve. Is such a list being provided to VETS and if so, what is VETS doing with the list?

Has the Secretary of Veterans Affairs provided to the Secretary of Labor the names and addresses of employers that had approved programs under the Veterans Job Training Act; if so, what has VETS done with those lists?

There are at least two provisions that deal with veterans' preference and cooperation with the Office of Personnel Management. The first one requires the Directors and Assistant Directors at the state level to report any evidence of noncompliance with veterans' preference to the Office of Personnel Management (OPM) for appropriate enforcement and action. How many such reports have been provided to OPM and what actions has OPM taken? Additionally, we would like to know what mechanism OPM has put in place to address any reports of alleged violations from the Department of Labor.

The second provision deals with monitoring of vacancies by federal agencies as required to be listed with the United States Employment Service under 3327 of Title 5 USC. What activity has taken place and what, if any, reports have been provided to OPM or the Department of Labor.

It is our understanding, Mr. Chairman, that despite the fact these requirements are almost two years old, the Department of Labor and OPM have yet to enter into a Memorandum of Understanding to implement these provisions.

We do not believe these provisions are that labor intensive or difficult that it would take two years to develop procedures.

Another provision of Public 100-323 requires the DVOPs to act as "case managers" in assuring appropriate services are provided to disabled and Vietnam era as well as recently separated veterans. To our knowledge, Mr. Chairman; no such case management has been implemented.

Other Recommendation

There has been ongoing dialog with the Assistant Secretary of Veterans Employment and Training over whether or not the Department of Labor needs to have a written National Employment and Training Policy. The Department's position has basically been all of its programs constitute such an employment policy. However, Assistant Secretary Collins has established a work group to develop a written policy. The work group includes several veterans service organizations and government representatives but not representatives from VETS. We believe an appropriate amendment to Section 2002 of Title 38 USC is in order. We suggest, Mr. Chairman, that the Assistant Secretary be mandated to develop a written National Employment and Training Policy for eligible veterans and eligible persons within 90 days of the enactment of any such legislation.

Mr. Chairman, that concludes our statement and we wish to again thank you and the other members of this Committee for your ongoing concern and support of veterans' employment and training issues. I will be happy to answer any questions.

STATEMENT OF

ROBERT L. JONES
AMVETS NATIONAL EXECUTIVE DIRECTOR

Before The

SUBCOMMITTEE ON EDUCATION, TRAINING & EMPLOYMENT

U.S. HOUSE OF REPRESENTATIVES

On

VETERANS EMPLOYMENT & TRAINING PROGRAMS

H.R. 4087 - A BILL TO AMEND TITLE 38, USC, EMPLOYMENT & TRAINING PROGRAMS FOR VETERANS

Wednesday, April 25, 1990

1:30 p.m., Room 334

Cannon House Office Building

Mr. Chairman and members of the Subcommittee on Education, Training and Employment, it is a privilege to appear before you to present testimony concerning the effectiveness of Veterans' Employment and Training Programs administered by the United States Department of Labor and H.R. 4087.

The Congress established within the Department of Labor (DoL) the Assistant Secretary of Labor for Veterans' Employment and Training (ASVET) to serve as the principle advisor to the Secretary concerning the formulation and implementation of all DoL policies and procedures that affect veterans. In section 2002 A, specific direction was embodied in the law to ensure the intent of Congress was fulfilled.

While overall employment statistics pertaining to veterans are encouraging, the effectiveness and efficiency of DoLs veterans programs must be gauged by the status of the delivery system - the United States Employment Service (USES), the Local Veterans Employment Representatives (LVER), and Disabled Veterans Outreach Program Specialists (DVOPS). Veterans are dependent upon these three elements to access private sector employment and training programs for which they qualify. For "veterans priority of services" to be meaningful, the service delivery points of the USES must be accessible, staffed with competent, trained professionals who have the resources to perform their mandated responsibilities.

We have seen repeatedly over the last several years the gradual strangulation of the USES. Since 1980, over 662 local offices have been closed and 14,471 staff lost due to funding shortfalls. This has occurred even though the employer-paid taxes are expected to exceed the administration's budget request by $1.5 billion. This reduction has resulted in the reduction or elimination of employer/industrial relation visits, job development, job search workshops, individual counseling and testing. During the period July 1, 1988, - June 30, 1989, 2.3 million veterans utilized the

USES, 1.1 million were referred to a job, 563,000 were placed or obtained employment.

The ASVET recently testified that "the provision of services to disabled veterans beyond the specific requirements of legislation will continue to be one of VETS priorities." Frankly, AMVETS is at a loss as to how the ASVET will ensure delivery of this priority service when the DoL budget does not fulfill congressionally mandated formula levels, thus, further restricting access to specially trained veterans staff. It is noted that projected staff shortfalls occur in LVERs and DVOPs, not administrative support staff.

The interagency memorandum of understanding between OPM and the ASVET, as mandated by PL 100-323, is nearing signature. This memorandum of understanding will greatly enhance sharing of information and defining roles in assisting veterans finding federal employment. AMVETS encourages that these two agencies include in this memorandum of understanding, the cross-sharing and integration of automated systems such as the OPM Federal Job Information System and ASVET Civilian Occupation Management Information System. During these periods of restricted budgets and labor strategies, we believe that by developing a joint job information service, DoL and OPM can reduce cost and increase their recruiting audience.

AMVETS diligently worked alongside representatives of the Administration, Congress, and service organizations to ensure ASVET field staff have the proper training, access to information to assist them in their jobs and a means to share their activities. The National Veterans Training Institute (NVTI) has proven to be a successful, valuable resource in assisting our staff in performing their responsibilities. The ASVET, due to budget constraints, has been forced to substantially reduce training slots and to seek "alternative funding sources and operational strategies." AMVETS sincerely hopes that these alternative funding sources will include payment of tuition by other agencies such as Department of Defense and the Department of Veterans Affairs, who benefit from NVTI programs. AMVETS wholeheartedly supports the cross-training by NVTI of Vocational Rehabilitation Specialist, Vet Center Counselors, Physical Evaluation Board Liaison Officers and other key individuals who play a role in ensuring veterans find meaningful employment. ASVET can no longer offer this training gratis.

We in AMVETS firmly believe that Federal Unemployment Tax Act (FUTA) funds must be removed from the federal unified budget and utilized to restore USES and ASVETS programs and services.

We are concerned that during a recent "For Vets Only" program the ASVET implied little effort is being exerted to ensure contractor compliance with section 2012 38 USC. This is particularly frustrating when one considers that employers have fulfilled their reporting requirements and the VETS 100 report information is shared with Office of Federal Contract Compliance Programs (OFCCP). The report is allegedly utilized to identify federal contractors for ASVET local staff, hardly its primary purpose. AMVETS is happy to learn that ASVET staff, and that of OFCCP, meet weekly and until such time as the authority to enforce section 2012 38 USC is transferred to the ASVET, and we encourage these discussions to continue. It is disturbing to note that after four years of preparing regulations and three years of reporting, a veteran has little or no legal recourse concerning violations of section 2012 38 USC. By exercising its administrative discretion, OFCCP limits veterans from pursuing their claims through the courts. The 5th Circuit Court in Ohio recently ruled that a disabled veteran could not pursue his case in court in that the final decision to pursue this course of action rest with OFCCP.

Numerous innovative programs have been instituted and tested under the auspices of the ASVET-administered Job Training Partnership Act (JTPA) IVC grants program. This grant program is restricted by a mandated formula that historically has led to the appropriation of approximately $9.5 million for this National Program. The DoL requested $8.8 million for FY 91 JTPA IVC programs. Mr. Chairman, AMVETS is aware that though this committee does not have jurisdiction over JTPA, this subtitle is the only specific veterans training program currently available in JTPA. It is under-funded, difficult to participate in, and has questionable impact upon veterans employment and training needs. AMVETS encourages this committee, working in concert with representatives of the Labor and Human Resources Committee to pursue legislation to modernize JTPA IVC. Even though veterans are authorized to participate in other JTPA programs on a non-priority basis, we agree with the ASVET that there is insufficient job training for veterans. It is unfortunate that veterans who make up 1/3 of the homeless population are not appropriated a proportionate share of the Stuart McKinley program dollars. The ASVET is to be commended for the continuing efforts of his staff and the success they have obtained through the Homeless Veterans' Reintegration Program.

AMVETS has consistently pursued the establishment of transitional programs for our servicemen and women. Separation programs that will ensure these veterans are provided every possible assistance in readjusting to the civilian work force is a necessity. These young Americans are a valuable resource that our nation's employers have yet to actively recruit. Our attention was drawn to the need for such programs in 1986. We are now moving to establish congressionally mandated test pilots that are restricted in number by law.

Current events and projected reductions in our defense forces dictate that we revisit these programs with an eye toward moving beyond "pilots." The Army alone is estimating a manpower reduction of 180,000. Any accelerated expanse of the DoL transition program must consider current and projected LVER/DVOP staffing shortfalls and budgetary restraints on ASVET field staff. The role of the Department of Defense (DoD) must be clearly defined. During this austere period "in kind services" in the frugal mind of AMVETS is unacceptable. The discussion of the "peace dividend" must begin by defining DoD agencies responsibilities to those who are being discharged. AMVETS is not convinced that the military has fully accepted its role in developing transition programs. AMVETS questions what duties existing DoD civilian staff, currently assigned to discharge points, will perform in referring individuals to the USES. We also suggest DoD provide the USES' computer tapes reflecting discharges by state to facilitate job seeking. We are equally concerned that the role of the Department of Veterans Affairs in this program has not been cemented into place. A substantial number of individuals facing discharge will have disabilities, will be seeking home loans and education entitlements. This influx of unanticipated inquiries and services on depleted Veterans Benefits Counselors and Vocational Rehabilitation Counseling Specialist may overtax their ability to provide adequate services. AMVETS is aware that 240 VA staff were trained by NVTI in 1989. This number was equally split between the Vocational Rehabilitation staff and Readjustment Counseling Service. This cross-training is a must. These two VA staff elements play a significant role in the initial veterans employment cycle and may serve as an "enhancer" to the over burdened LVER/DVOP staff in transition programs specifically designed for disabled veterans. We encourage continuation of this training in 1991. Further, we recommend recognition of servicemen and women released for the good of the service as dislocated workers. In addition, veterans should be provided equity in unemployment compensation laws.

In reviewing H.R. 4087, I commend Mr. Penny and this subcommittee for their foresight. Large pockets of Vietnam veterans, in particular the disabled and minority, continue to endure readjustment difficulties. This has been substantiated by the BLS biennial studies of unemployment among special disabled veterans and Vietnam "Theater" veterans. AMVETS is appreciative of the efforts of BLS, particularly Ms. Sharon Kohaney, in developing those reports. We understand that a current report has been compiled and we encourage DoL to expeditiously publish its results. In view of the National Vietnam Veterans Readjustment study, projections of homeless Vietnam veterans and the continuing unemployment difficulties experienced by these veterans, AMVETS supports extension of the definition of a "veteran of the Vietnam era" to December 31, 1996.

We also suggest consideration be given to include in 38 USC, section 2001(5) a new subparagraph (D) "an individual serving on active duty with the Armed Forces who are within 180 days of the estimated date of such individuals discharge or release from active duty under conditions other than dishonorable". We propose addition of a new subparagraph 38 USC, 2001(5)(E), "individuals currently serving as a member of the National Guard or Ready Reserve." The role of the National Guard and Reserve in our National Defense warrants their being included in priority services, but not at the expense of those who are disabled or combat veterans.

I cannot over emphasize our concern that, though we recognize the need for transition assistance programs, the role of the Armed Services has not been addressed. The question that repeatedly comes to the forefront is one of responsibility. Should the transition program be an extension of DoD personnel policies or be a satellite responsibility of the OASVET? The decentralized nature of program activities allow local military commanders to dictate assignment of LVERs/DVOPs. Overzealous commanders who recognize need, but not service structure limitations, may place unrealistic demands on our limited field staff. Without additional LVER/DVOP resources or a redefinition of their primary role we believe this initiative is ham-strung from the onset. AMVETS is not predisposed to redefining veteran priority of services and would frown on any such effort.

AMVETS has been disturbed by the historical lack of focus of the Secretary's Committee on Veterans Employment. In its present form it is generally perceived as having had little or no success in fulfilling its mandated responsibilities. By virtue of its organization, this committee finds itself in conflict. Representatives of federal agencies cannot address topics in opposition to that of the administration. Thus, key issues effecting services to veterans are left on the table. AMVETS appreciates the wisdom of this committee in exercising its responsibilities as defined in section 5, PL 92-463.

AMVETS were excited to learn that the Acting Secretary ETA and ASVET have entered into a memorandum of understanding (October 18, 1989) which in part states that ETA will serve as an active member of the SCOVE. Unfortunately, we have not observed "active participation" at recent SCOVE meetings, to include the one held March 28, 1990. AMVETS was equally excited that ETA and VETS will collaborate to identify and include appropriate veterans representatives on various ETA program committees, such as those on Validity Generalization. We were saddened to learn that "appropriate veterans representatives" does not include representatives from major veterans service organizations.

To ensure that these two agencies are afforded the necessary information to carry-out their respective missions and to implement DoL's veterans employment and training policy and since the Assistant Secretary for Employment and Training Administration has responsibility for the USES as well as administration of JTPA programs, AMVETS recommends that a representative of this important agency be included as an ex-officio member of the committee as proposed in H.R. 4087.

I suggest that for clarity, section 2010(6) include language to allow the committee to "submit to the Secretary such other reports and recommendations as the committee considers appropriate."

We recommend that the Department of Labor's Advisory Committee on Veterans Employment and Training be chartered for a period of two years and the ASVET be designated as the committee manager. Funds to administer the committee must be allocated to the ASVET. The committee charter should be drafted by the committee and submitted through the Secretary of Labor to Government Administration Office for approval. The committee should be authorized to conduct field site visits as appropriate to fulfill its responsibilities.

We in AMVETS believe that the proposals contained in H.R. 4087 are a positive step forward in creating a functional advisory committee that will begin the arduous task of developing a National Veterans Employment and Training policy.

Senior representatives of the DoL insist that the nation's Veterans Employment and Training policy is embodied in current law and regulations. AMVETS concurs with our colleague Dennis Rhodes who commented in the Employment and Training report July 23, 1986, that "new legislation will be needed to strengthen and preserve veterans' preference in a viable national labor exchange systems, as well as to develop for the first time an employment and training program for veterans, the very existence of which is not completely at the mercy of budgetary exigencies or theories of new federalization or privatization."

States such as New York and Ohio are moving independently to ensure that veterans residing within their states are afforded preferential services in all state administered federally funded programs.

The need to modernize and to develop new programs for our nation's veterans has been clearly identified. AMVETS believes now is the time for DoL to assume a leadership role in this capacity. I am grateful that AMVETS has been requested to serve on a working committee to begin development of a draft National Veterans

Employment policy. We look forward to working with members of the Administration, the Congress and our counterparts in this process.

Mr. Chairman, this concludes my statement.

ASSOCIATION OF THE UNITED STATES ARMY
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A STATEMENT BY
COLONEL ERIK G. JOHNSON, USA RETIRED
DIRECTOR OF LEGISLATIVE AFFAIRS
FOR THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
101ST CONGRESS
SECOND SESSION

VETERANS LEGISLATIVE AGENDA

A Statement

to the

Committee on Veterans' Affairs

United States House of Representatives

April 1990

Mr. Chairman and Members of the Committee:

It is a pleasure for me to provide you with the veterans' legislative agenda of the Association of the United States Army (AUSA), especially during the initial stages of what appears to be the beginning of a substantial reduction in military personnel strength for the Department of Defense.

Events in Eastern Europe have moved at a breathtaking pace. The infamous Berlin Wall is down; a series of democratic movements have begun throughout the Warsaw Pact nations. Even the Soviet Union appears to be tentatively experimenting with some limited democratic reforms.

America's will to stay the course in Europe has been rewarded with a more peaceful Europe and an opportunity to reduce our military burden. This juxtaposition of peace and military burden provides a siren song for those critical of the financial resources that have gone into our armed forces, especially during the past nine years. Yes, peace has broken out in Europe and we agree that a reduction in the size of the U.S. Armed Forces is a logical consequence of this turn of events.

Today's Army is not the Army of World War II, Korea or Viet Nam in the sense that we have hundreds of thousands of young service personnel clamoring to be released from active duty. This army is a voluntary force committed to achieving America's national security objectives in the short as well as long term. These are America's best, young men and women, a majority of whom are dedicated to a military career as a way of life. For

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task, prior to and upon release from active duty, is to see that they are afforded an opportunity for employment counselling, relocation assistance, employment opportunities, educational benefits, vocational training, health care and in some cases financial remuneration.

Certain of our concerns for soldiers being separated from the Army can be addressed by the Department of Defense and the Department of Labor. However, a major share of the required post-service assistance, we believe, will have to originate in the Department of Veterans' Affairs. It alone has the responsibility and programs necessary to help these soldiers being involuntarily separated from the Service.

But, in order for the Department of Veterans' Affairs to do its job, the Congress must provide legislation which will bring structure to what may well be a chaotic situation. It is imperative that we have an orderly transition plan in place for these soldiers as they become veterans with entitlements ensured by public law. Is the VA prepared to counsel, assist and supervise this new, unexpected caseload? What must be accomplished to make this transition from service to civilian life smoother?

AUSA recommends that certain programs presently under the auspices of the Department of Veterans' Affairs be funded to accommodate what surely will be the greatest number of veterans to be released to civilian status since the end of the Viet Nam conflict. Although the services will seek to retain their highest quality personnel that does not mean that personnel chosen to be released are not quality performers. This reduction is budget driven without regard to the untimely release of people well qualified to maintain the highest standards of performance.

We can provide a "soft landing" on the civilian economy for these personnel by ensuring that the provisions of Public Law 101-237, passed by the 101st Congress last year and signed into law on December 18, 1989, receives additional monies for veterans' employment programs. Specifically, there will be additional requirements for job counselling, testing, and employment referral and placement services.

The pilot program to furnish employment and training information and services to members of the armed forces was an outstanding addition to Title 38, United States Code. However, that pilot program was initiated before the sequence of events that have led to this proposed rapid reduction in military personnel in the Department of Defense. We simply cannot wait until May 1, 1992 for a report to be transmitted to the Committees on Veterans' Affairs of the Senate and House before we go beyond the scope of a pilot program. Two years of personnel reductions will have passed by that time and several thousand soldiers, sailors, airmen and marines will have become civilians without the benefit of an aggressive employment and training information program by the VA.

Many of these veterans will have skills that are of need in the federal government. This will be especially true in the criminal justice system where military skills are being used in the war against drugs. Public Law 101-237 provides readjustment appointment authority and may be applicable to certain personnel interested in careers with federal civil service. Certainly, we should not ignore the potential these people have for assisting America in overcoming some of its more difficult social problems.

There will be a wide range of age and experience among this group being released from active duty. A majority of them will have benefits under the Montgomery GI Bill. However, there is surely to be a number of those who do not have these benefits because they entered the service between January 1, 1977 and June 30, 1985. The U.S. Army estimates it has about 237,000 soldiers in this category. These service members were entitled to participate in a voluntary contributory education program established by the Veterans Education and Employment Assistance Act of 1976. While this program was better than nothing, at the time, it did little to attract potential participants. We need to do something for those among this group who may find themselves released from active duty.

AUSA strongly recommends that every member being released from active duty be accorded the privilege of electing to participate in the Montgomery GI Bill regardless of their previous status or declination to participate.

This is a special series of circumstances requiring extraordinary changes in eligibility for educational benefits. How the VA chooses to administer the twelve hundred dollars participation premium for Montgomery GI Bill enrollment can be resolved by a change in the program's implementing language. What ever the problems are they should be quickly resolved to include these service members as enrollees in this educational benefit.

Another change needed for the GI Bill but not necessarily related to the reduction in force program is the need to increase the monthly stipend for the education benefit. Costs for tuition and fees have increased rapidly since 1985. The Washington Post recently published statistics which show that in the past five years costs for higher education (tuition and fees) have increased approximately 30% at the University of Virginia, 37% at George Mason University, 31% at Virginia Polytechnic Institute, 33% at William and Mary and 27% at James Madison University for Virginia residents. Since these are state institutions of higher learning one can only speculate that a private college education is considerably more costly. It is about time that the basic stipend be raised to $400 per month for active duty veterans and to $180 per month for Reserve Component participants.

There will be a very difficult period of readjustment for many of these soldiers. Many will have a family to care for and the attendant problems of paying for medical services. Even though they will have the choice of electing to participate in the Uniformed Services Voluntary Insurance Plan (US VIP), a medical insurance plan sponsored by the Department of Defense and implemented by Mutual of Omaha, the cost of such a program may be prohibitive for many of the younger veterans. Their relocation costs will be high and probably sap every dollar of their pay and savings. Perhaps the VA can absorb some of the care these people may require by allowing them to use VA medical facilities for a limited period of time. We would propose a pay for services type of a program similar to CHAMPUS. This implies that some sort of co-payment system must be worked out between the VA, an insurer and the individual.

We are inundated with speculative programs for how the "peace dividend" should be spent. Wouldn't it be simple justice for a "piece" of the peace dividend to be applied toward the needs of these new veterans. After all, they are largely responsible for the democratic reforms sweeping Eastern Europe. Let's make sure we allow these people to reenter civilian life with dignity by providing a transition that reflects the caring of a grateful nation. They invested their time and effort when we asked them to choose the service as a career. We can do no less when we tell them that their contribution is no longer required. This is no cry for an entitlement program with no long term pay-back to the nation. It is a clarion call for another investment in the future; one that was validated after World War II, Korea and Viet Nam by the successful integration of veterans into the mainstream of American civilian life.

In addition to those requirements which would ease the transition of new veterans to civilian life, the Association wishes to reiterate its support for other legislative proposals presently being discussed in the Congress. We continue to be supportive of S. 563, a bill which addresses concurrent payment of retired pay and disability compensation. S. 563 does not permit the one-hundred percent payment of both compensations, an idea we support. However, AUSA is cognizant of the realities involved with the budget deficit and accepts the bill as a suitable compromise.

Our Association also supports an initiative (H.R.1199) which would allow military nurse retirees to keep their military retirement pay if they elect to work as nurses in VA hospitals. This is a worthwhile consideration because we have a shortage of nurses and this would permit the VA to utilize this group of people. While the number is small, these nurses have much to offer VA health care facilities. They are, however, reluctant to do so when they must sacrifice a portion of their retired military income.

As an ancillary health issue, we wish to support the concept of providing post-secondary educational assistance to eligible students in the health professions if they agree to serve the Department of Veterans' Affairs. This is an excellent opportunity to attract participation in the

Reserve Component as well as with our Veterans' Affairs Medical Centers. We urge your approval of H.R. 3199.

In conclusion, our legislative agenda is targeted toward raising the level of resources available for assisting the orderly transition of personnel released from the service during the next five years. If resources are applied in a compassionate manner for this group, all other veterans will benefit because the system will have become more attuned to today's needs. We must remember that the ethical considerations of living up to a commitment the nation made for people choosing a military career cannot be dismissed in a cavalier manner. The cornerstones for meeting this commitment can be found in counselling, education and job assistance.

Thank you for the opportunity to present the AUSA agenda. AUSA appreciates your continued support to all of our veteran population, and we are confident that you are in agreement that these may be the worst of times for many of our service men and women. We can do much to allay their apprehensions by being responsive to the needs we have outlined in this testimony.

BLINDED VETERANS ASSOCIATION
477 H STREET, NORTHWEST • WASHINGTON D.C. 20001-2694 • (202) 371-8880

7 May 1990

Chairman Timothy J. Penny
House Veterans' Affairs Committee
335 CHOB
Washington, DC 20515

Dear Mr. Chairman:

The Blinded Veterans Association (BVA) is pleased to have this opportunity to submit a statement for the record to the Education, Employment, and Training Subcommittee regarding H.R. 4087. The BVA wishes to thank you, Mr. Chris Smith, and the other members of the Subcommittee for the strong support and timely efforts on behalf of veterans.

Before addressing the particulars in H.R. 4087, I would like to express the BVA's concern about the Department of Labor's apparent lack of commitment in supporting a budget that meets the Congressional mandate to provide the required funding for veterans employment and training programs. We believe that an aggressive support for these programs is essential because of the proposed reduction in the military which will create a sudden influx of new veterans in the labor market.

Moreover, we feel that the job development and placement services for severely disabled veterans are woefully inadequate, and the continued erosion of these services is unduly impacting on this segment of the veteran population.

We cannot understand the reasoning behind the proposed FY 91 budget cuts in the DVOP/LVER grant and funding for the State Employment Security Agencies (SESA). We are extremely unhappy about the channeling of the surplus revenue collected under the Federal Unemployment Tax Act (FUTA) into the general Treasury. These taxes are paid by employers to maintain unemployment compensation trust funds to assist the unemployed and to fund the SESAs. As in the case of the diversion of the surpluses in the Social Security trust fund, the FUTA funds are not legislatively mandated for deficit reduction. Any surpluses in the FUTA trust funds should be apportioned to the SESAs to enable them to meet the regulatory commitments.

With the expected reduction in the armed forces, the expansion of the duties of the DVOP Specialists, which will enable them to provide employment and training information and services to active duty personnel who are within 180 days of their discharge, is essential. Similarly, expanding the duties of the LVERs to allow for functional supervision of the employment and training information and services for active duty military who are soon to be discharged will ensure success of this undertaking.

Although there may be some who will argue the need to continue a separate category for Vietnam Veterans, the BVA supports the extension of this definition of Veteran of the Vietnam Era for eligibility purposes under Chapter 42 of Title 38 USC. The report from the Bureau of Labor Statistics (BLS) shows a significant percentage of "In country" Vietnam veterans, and especially the disabled, who are still having employment problems. The extension of the delimiting date from 31 December 1991 to 31 December 1996 should provide sufficient time to assist them.

Along with our veteran service organization colleagues, the BVA has felt that the Secretary of Labor's Committee on Veterans Employment (SCOVE) is not properly structured. Although we believe that it is important for all the federal agencies dealing with veterans employment and training programs to be represented, the failure of these agency representatives to vote on issues because they may be contrary to Administration policy defeats the purpose of the SCOVE as an advisory body. As the Secretary's Committee is now structured, it is difficult to report on any employment program shortcomings, and then, we get little or no feedback from the Secretary.

We firmly believe that the section in H.R. 4087 that will replace the SCOVE with a legislatively mandated Advisory Committee and require this body to submit a report on the employment and training needs of veterans is essential. The requirement that recommendations for remedying the problems shall be made each year by 1 July allows the Advisory Committee to deal with all phases of these veterans programs. Further, by requiring the Secretary of Labor to transmit a copy of the Advisory Committee's report to Congress this will ensure better communication and greater awareness of the Secretary of Labor and the Congress about these matters.

In 1988, the BVA began a cooperative effort with the New York Department of Labor and the Veterans Employment and Training Service in the development of a special project to assist blinded veterans in obtaining meaningful employment. This initiative, called "Project Amer-I-Can," is a prime example of utilizing the available resources and linkages. As a result of this specific program, a number of blinded veterans are now gainfully employed, and are, again, in the mainstream of American life with their dignity and pride restored.

We are currently working with the State Employment Service in California to replicate the New York project. We realize the number of blinded veterans placed in permanent employment will not be great, but, when weighed against a life of unemployment, the individual rewards and the collective contributions are immeasurable.

Our efforts to implement the project in California will not be as extensive as we had hoped because of our limited resources. The New York initiative was partially funded by a Job Training Partnership Act (JTPA) Title IV (c) grant which has now expired. We have learned in meetings with Assistant Secretary for Veterans Employment and Training - Thomas E. Collins, III - that he has found it necessary to divert the majority of his Title IV (c) discretionary funds to a few special programs. We understand and acknowledge the importance of other programs, but we are greatly disturbed that the vast majority of these discretionary funds were diverted into one or two projects without more serious consideration for other programs. Little, if anything, was ever done to assist blinded veterans in obtaining gainful employment before the BVA launched its employment program and "Project Amer-I-Can." We would like to see more Title IV (c) funds made available and have them distributed more equitably.

On behalf of the National President Henry J. Berube and our blinded veteran constituency, I want to thank you for your support and for providing this opportunity to express our views.

Respectfully submitted,

Ronald L. Miller, Ph.D.
Executive Director

U.S. Department of Labor

Assistant Secretary for
Veterans Employment and Training
Washington D.C. 20210

June 8, 1990

Honorable Timothy J. Penny
Chairman, Subcommittee on Education,
  Training and Employment
Committee on Veterans' Affairs
U. S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

This is in response to your follow-up questions to the April 25 hearing before the Subcommittee on Education, Training and Employment of the House Veterans' Affairs Committee.

Enclosed for the record are my responses to those questions.

Thank you for the opportunity to express my views.

Sincerely,

Thomas E. Collins

THOMAS E. COLLINS

Enclosure

FOLLOW-UP QUESTIONS SUBMITTED BY THE HONORABLE TIMOTHY J. PENNY TO THE DEPARTMENT OF LABOR FROM THE HEARING OF APRIL 25, 1990, ON DEPARTMENT OF LABOR VETERANS' PROGRAMS

1. The Administration's requested FY 1991 funding level for DVOPs and LVERs, as well as that for NVTI, came as a great surprise and disappointment to us.

You have stated that DVOP is one of the most valuable programs that has served our veterans, particularly disabled veterans and veterans of the Vietnam era, and that it is at the heart of your efforts to address those veterans' employment problems. You also said your DVOP specialists have considerable work to do in serving the needs of Vietnam era veterans. Additionally, you indicated your support for the use of DVOP discharged servicepersons. In light of your statements and the requirements of sections 2003A and 2006, title 38, U.S. Code, how does the Administration justify its FY 1991 DVOP budget request which fails to provide even the minimum number of DVOP specialists mandated by Congress?

Additionally, your comment on page 4 of your testimony suggesting the "scope of the DVOP specialists should be studied" puzzles me. I just don't understand what you're saying here. In light of your earlier statements, why do you oppose the 5-year extension of the definition of "veterans of the Vietnam era" at this time?

The Administration supports the DVOP program and we will continue to fully utilize this program. The FY 91 budget request, although it did call for a slight increase in the DVOP/LVER program, is short of fully funding the program based upon cost data that we have received from the States and other projections for FY 91. The requested level of DVOP/LVER positions is consistent with the larger national objective of budgeting constraint.

The reference on page 4 of my testimony "scope of the DVOP specialist should be studied" relates to other remarks in the testimony mentioning that the DVOPs still have work to do in their existing mission but that it is time to study the scope of the program. We need to consider broadening its mission to include other groups of veterans needing service rather than simply continue serving the current target groups. In the testimony I mentioned older veterans, women veterans, minority and native American veterans, present members of the military service (soon-to-be veterans) and perhaps a group most in need, homeless veterans.

Rather than opposing the extension of five years or any direct comments concerning veterans of the Vietnam era, I suggested in the testimony that during the FY 92 budget process within the Administration, alternatives will be considered which may lead to improved employment services to all of our veterans through DVOP. We would expand services to those subgroups of veterans with particular needs, including Vietnam era veterans. We oppose a 5 year extension now because we believe DVOP merits examination first so that it can be made most responsive to the challenges ahead. Since the sunset date of the Vietnam era veteran does not occur until the end of 1991, it is considered premature now, in May of 1990, to propose continuation of the program, as is, for an additional five years. However, we do not "oppose", per se, extension of the Vietnam-era veteran definition. We intend to complete our study of DVOP's appropriate role in the 1990s in time for transmittal of the FY 1992 budget to the Congress.

2. Where are you in the development of the Transition Assistance Pilot Program? When do you expect to begin implementing the program?

At this point, what sites have been selected as program locations? How were these sites selected?

Within VETS, who is the line management official responsible for the TAP program?

We will hear later testimony asserting that very little information and direction in this program has been provided to field personnel -- no overall plan or direction to the field has been developed. I might add this was also the impression of a member of my staff who attended a TAP meeting in Denver last week. Is this situation being corrected?

It was the intent of Congress that the Department of Veterans Affairs and the Department of Defense be fully involved in the design and implementation of this program. I have been told the DVA has not been appropriately involved in the decisionmaking process and has not always been notified of meetings in which they should participate. I want to emphasize that the Congress expects all three agencies to be fully involved in this project.

In that regard, I'd like to know the names of the designated coordinating officials in DVA and DOD. Additionally, I'd appreciate it if you would tell us what specific contributions DOD is making to this program. It would seem to me appropriate for DOD to commit financial resources to TAP. Additionally, I understand the Department of the Army is now developing an assistance program for their separating personnel. Are you coordinating with them in this effort?

Have you established a mechanism whereby DOD will keep you informed of their planned force reductions? I think it is important that DOD provide the Secretary with formal, written notification as these plans are developed so DOL will be aware of the scope of its upcoming responsibilities and request adequate resources.

Is the DVOP/LVER staffing level recommended by the Administration sufficient to support the TAP/D-TAP pilot without adversely affecting delivery of other services? What staffing level would be necessary to support an extension of the pilot program?

You've asked many important questions about the Transition Assistance Program. I would like to take this opportunity to describe it for you.

The Veterans' Employment and Training Service (VETS) is in the unique and privileged position of being able to address one of the most important topics that may face us in the military and veterans' arena in this decade. As planning for the possible downsizing of our military force continues, the first Transition Assistance Program workshops began May 1990, offering job search assistance to active duty servicemembers scheduled for separation.

The basic concept of the Transition Assistance Program (TAP) is to provide servicemembers, before they leave active duty, with sufficient vocational guidance to allow them to make informed career choices. The statutory requirement of P.L. 101-230 is that the pilot program be established in not less than five states and not more than ten states.

Such guidance and services will include information on career decision making, a realistic evaluation of employability, substance abuse information, current occupational and labor market information, a review of the tools to conduct a successful job search, and availability of training programs. Further, facilitators will offer direct assistance in obtaining training or job placement and veterans' benefits information. This should assist the veteran in making the initial transition from military service to the civilian workplace with less difficulty and at less overall cost to the veteran and the government. This will also provide the veteran with the necessary tools, information, and skills to make subsequent employment decisions successfully.

While veterans generally enjoy a favorable employment rate in relation to the nation's job market, veterans with multiple barriers to employment experience difficulty in competing successfully in the labor market. The TAP program will significantly reduce long-term employment-related problems for many separating servicemembers.

Two keys for a successful TAP program are, first, the coordination and linkage with both the Departments of Defense and Veterans Affairs (DOD and DVA), and second, an extensive pilot test to both fine tune implementation and operating procedures and to gather data to evaluate the viability of the program.

Working with both DOD and DVA, we are initiating a limited pilot program at 22 military bases in seven states during FY 1990. We are considering expanding the pilot test to an additional 28 bases in FY 1991 within the ten allowable States subject to available resources.

With regard to TAP/DTAP site selection, DOL requested that DOD look to states with the largest numbers of separating service personnel. DOD then asked each military service to nominate one military installation and one hospital for inclusion in TAP/DTAP, particularly California, Florida, Texas, Virginia, Colorado and Georgia. (Louisiana was added later by the Department of Army.)

TAP will be offered to servicemembers separating or retiring through normal channels. This coordinated program between DOL, DOD and DVA is aimed at providing employment and training services to separating servicemembers. DOL also has coordinated with the participating states to provide trained Disabled Veterans' Outreach Program specialists (DVOPs) and Local Veterans Employment Representatives (LVERs) to facilitate the three-day job assistance workshops, provide materials including the participants workbook, and provide automation equipment/training.

TAP is also offered to servicemembers being separated due to a service-connected disability as the Disabled Transition Assistance Program (DTAP). DTAP includes the three day workshop but also an additional four hour block of instruction to determine the job readiness of the separating servicemember. Both components will provide employment assistance and information to servicemembers using interactive teaching methods provided by DVOPs and LVERs, including written materials developed by VETS and automated tools.

One such tool is the Civilian Occupation Labor Market Information System (COLMIS). COLMIS is an automated information system which: (1) provides occupational outlook information at the county level for selected occupational fields, (2) provides current information at the county level on the availability of jobs, the wage rates of those jobs and local unemployment rates, and (3) converts military skills to both the Dictionary of Occupational Titles (DOT) for civilian jobs and OPM's Handbook X-118, Qualifications Standards for Positions in the General Schedule.

DOD has coordinated the program within each service, providing adequate space to conduct the workshop, and has designated one individual per military base to coordinate activities at the workshops. Workshops have been scheduled through the end of the fiscal year.

DVA personnel will provide veterans' benefits information for both TAP and DTAP participants, with special emphasis on the service-connected disabled. Regional DVA offices have coordinated with military base personnel, resulting in the availability of DVA-delivered veterans' benefits information in each workshop.

TAP sites FY 1990

California	Camp Pendelton	Marines	1 base
Texas	San Antonio	Air Force	5 bases
Virginia	Norfolk	Navy	8 bases
Florida	Jacksonville	Navy	4 bases
Georgia	Ft. Benning	Army	1 base
	Ft. McPherson	Army	1 base
Louisiana	Ft. Polk	Army	1 base
Colorado	Fitzsimmons AH	Army	1 base
			22 bases

DTAP will be pilot tested at three military hospitals in FY 1990, one hospital each for the Navy (including Marine Corps), Army and Air Force where disability separations occur. DTAP is aimed at providing early intervention and comprehensive employment and training services to separating service-connected disabled as soon as they are notified by the Physical Evaluation Board of their release from active duty. DOL will coordinate with the state to identify one Disabled Veterans' Outreach Program specialist for each participating hospital to provide all applicable vocational guidance and employment and training services through their outreach efforts. DVA will provide veterans' benefits information and direct personal assistance to each participant. If job ready, the participant will attend the job assistance workshop. If not job ready, DVA will begin to enroll the participant in all appropriate veterans' assistance programs.

DTAP sites FY 1990 (Military hospitals)

Texas	San Antonio	Air Force
Colorado	Fitzsimmons AH	Army
Florida	Jacksonville	Navy

As required by P.L. 101-237, the Transition Assistance Program will be evaluated and a report made to Congress in May 1992. The evaluation, conducted by independent contractors, will consist of two components: the process/content evaluation, and a post-service impact longitudinal study.

The process/content evaluation will review and correct any deficiencies in the facilitator training, program materials, COLMIS information and administrative support by all Federal and State agencies. This evaluation has already begun and will be a continuing function. The first formal in-process review will occur mid-summer 1990.

The post-service impact longitudinal study will assess the benefits of participation for TAP participants, California's Career Awareness Program participants and a control group of similar non-participants. This will include an analysis of post-military periods of employment/unemployment, occupation, salary, training, education and demographic information.

Since DOL is the lead agency in implementing the Transition Assistance Program, I am the line management official responsible for TAP. I work closely with the Assistant Secretary of Defense for Force Management and Personnel and the Assistant Secretary of Veterans Affairs for Veterans Liaison and Program Coordination. Further, I am in continuous contact with the DVA Director of Vocational Rehabilitation and Education Service and the DVA Director of Veterans Assistance Service. Additionally, my staff in Washington and in the field is involved on a daily basis with DVA components of the Veterans Benefits Administration, DOD and military branch points-of-contact, and State Employment Security Agencies.

With regard to the direct operation of TAP within the seven selected states, VETS field staff play a very important role in the selection of the DVOP/LVER staff to participate in TAP as facilitators. All VETS field staff have been briefed at VETS national conferences on TAP development. RAVETS, DVETS or ADVETS from each of the seven states have been involved with site visits and planning sessions and were provided initial TAP training at the National Veterans Training Institute in Denver. Because TAP is a pilot program, requiring continuous modification and coordination between DOL, DOD and DVA in response to the process/content evaluation, information to VETS field staff has been state-specific up until this time. Appropriate guidance for all field staff will be forthcoming.

We expect that the Army will continue to separate the largest numbers of military personnel each year. Thus, I am pleased that the Army is developing a broad comprehensive separation assistance program which includes TAP as its cornerstone. This Army Career Alumni Program (ACAP) is in its planning stages.

As planning for military force restructuring continues, I am aware of a variety of options which are being considered through frequent briefings from Defense Department officials. I am sure that DOL and DVA will be informed at the earliest possible time of actual military force discharge rates or locations as soon as these are known.

The TAP/DTAP pilot uses DVOPs and LVERs who were selected by the local office manager nearest the pilot site in coordination with the DVET and SESA staff. They have been trained as workshop facilitators but moreover, bring to each workshop their vast experience in both labor market information and Employment Service operations. Thus, TAP is an additional outreach opportunity for DVOPs and LVERs and should not adversely impact on the delivery of other services. An expansion of the pilot program would not necessarily require a change in staffing level but I believe that a review of the DVOP mission is appropriate at this time to include services to active duty servicemembers preparing to transition back into the labor market.

3. In Public Law 100-323, the ASVET was charged with the responsibility of promoting and monitoring the participation of qualified veterans and eligible persons in employment and training opportunities under JTPA and other Federally-funded employment and training programs.

(a) What specific actions have you and ASVET staff taken to fulfill this mandate?

(b) We will hear in later testimony the recommendation that qualified veterans be provided priority of service in JTPA and other federally-funded employment and training programs. Do you **support this recommendation? If not, why not?**

(c) Are there other groups that receive priority of service under JTPA?

(a) In 1989, the ASVET wrote the Governor of each State asking for targeting of veterans, particularly disabled veterans, in their State plans for JTPA programs. There has been a positive response to this initiative. Although it is not 100 percent, many states have taken the position and policy of giving veterans priority in JTPA programs. Ohio, for instance, recently enacted a law giving priority to veterans for JTPA participation.

(b) We also have implemented other initiatives to promote and insure veteran participation in JTPA programs:

- We have included "Placed in Training" among our quantitative performance standards that State agencies are required to meet. Since JTPA is the primary source of available training opportunities, the standards promote veterans' participation in JTPA programs.

- VETS field staff have been apprised of the existence of "Rapid Response Teams" under JTPA Title III, and have emphasized to State agency officials the need to link DVOP/LVER staff to those teams to help assure provision of services to dislocated veterans.

- We have recently begun exploring the concept of joint training for JTPA grantees and Job Service staff, such as DVOP/LVER staff, as one of the possibilities for promoting veteran participation in JTPA. A first pilot session for 24 JTPA staff will begin training on June 4 at the National Veterans' Training Institute (NVTI). JTPA participants will start their training learning about the JTPA specific roles and responsibilities. Then they will join 24 DVOP/LVER participants in joint training for the remaining five days of core training on veterans employment and training through the Job Service. It is felt that JTPA participants, who represent the grantees who operate JTPA programs, will be equipped to promote and foster more veteran participation in all JTPA programs. As a result of this training, they should better understand veteran needs and how to find and assist veterans in meeting their needs.

My policy concerning JTPA is to make every effort to assure that veterans are included the various JTPA programs for which they are eligible. However, in general, Secretary Dole and I believe that it is not sound policy for the Federal government to earmark specific JTPA set asides for individual target groups at the State level. Therefore, as recommended by the JTPA Advisory Committee, we believe the best approach is to allow local areas to set target groups priorities within the eligible population rather than rank the needs of one target group against another at the national level.

The information presently available regarding veterans served by JTPA IIA indicates that in Program Year 1988 (July 1, 1988 to June 30, 1989) slightly less than 55,000 veterans received employment and training services through this program. As a group, veterans were placed in employment earning an average wage of $5.89 an hour (the second highest average earning among target groups served under this Title). Compared with their non-veteran counterparts, veterans participating in JTPA Title IIA programs were much more likely to be non-minorities, high school graduates, and experience shorter lengths of stay in the programs. Veterans who participated in classroom training earned an average starting wage of $6.70 an hour which was the highest average hourly wage among the target groups served. Although JTPA IIA reports services to almost twenty different target groups, slightly more than 8 percent of those who received services were veterans. The data for services provided to veterans under JTPA Title III indicates that of the approximate 93,600 dislocated workers served under this title, 18,400 or

22.35 percent were veterans. [They, on average were placed in jobs paying a wage of $7.94 an hour - the highest average starting wage of any target group served by this program].

As you may know, less than a year ago, the Veterans' Employment and Training Service and the Employment and Training Administration signed a memorandum of understanding for the purpose of increasing coordination and the targeting of services to veterans. Efforts such as this MOU may be more effective in achieving the same result provided by veterans' preference. We will continue both to monitor the quarterly data we receive through ETA regarding services provided to veterans and collect other information to increase our understanding of this issue and be able to assure full participation by veterans in all JTPA programs.

(c) Yes, the Act provides that at the State level 3% of the JTPA funds allocated be set-aside to target services to older workers and that 40 percent of the IIA funding be used to target youth. However the administration's proposed JTPA amendments would eliminate the older worker set aside and create separate job training programs for severely disadvantaged adults and youth.

Further, Title IV(A) of the Act authorizes Federally administered employment and training programs for Native Americans and Migrant and Seasonal Farm workers. This set aside is similar in principle to the set aside for veterans in Title IV(C).

4. We will hear from later witnesses that a numb [illegible] states have decided the voluminous paperwork associated with Title IV(c) grants it not worth the effort because of the size of the grants involved. In fact, it is pointed out that nine states have declined to participate, thus reducing employment and training opportunities for the veterans in those states.

Can anything be done to streamline the paperwork process?

Have you recommended to the Education and Labor Committee that Title IV(c) funds be increased?

As a new Assistant Secretary for Veterans' Employment and Training, I am well aware and concerned about the paperwork requirements on our Title IV(C) program. We have made some progress this year in reducing and streamlining the paperwork or communicating the need for such. However, I should point out that Title IV(C) is a veteran specific program, and therefore, certain controls which appear burdensome to the Employment Service and to the States are necessary to assure that veterans are being served and receiving direct benefits. I feel that if we reduce the documentation requirements to the levels desired by the States, we would be unable to assure that this program and its limited funds are directed to veterans.

Further, whereas legislation provides that the funding available under JTPA Titles II and III be allocated on a block grant basis, this is not the case for programs operated under Title IV of the JTPA. As a result, requests for funds provided under JTPA IV(C) must adhere to procurement procedures which are regulated by the Federal Office of Management and Budget (OMB) in 29 CFR, Part 97, Uniform Administrative Requirements for Grants to States and local governments. The procurement procedures required for these funds are the same as those for other non-block grant programs.

We made several changes in the program to make it easier for states to operate programs under JTPA IV(C) while ensuring that quality employment and training services are being made available to eligible veterans. As a result, we have received letters from most of the States indicating their intent to apply for these funds in the forthcoming program year. Also, my staff have recently completed the preparation of a technical assistance guide with a series of suggested formats which applicants may use to meet the application requirements. This will eliminate a large volume of paperwork formerly required to complete a JTPA IV(C) grant application. I have further charged my staff with the responsibility to continue to seek the best means for ensuring that eligible veterans receive quality services under this program without impeding grantees in applying for and receiving the resources they require to deliver these services. I believe we are making progress in this regard.

(b) No. There is no specific recommendation to the Education and Labor Committee that Title IV(C) funds be increased.

JTPA IV(C) funds are computed according to a formula specified in the Act itself. First, of the total appropriation for Title II, part A, plus Title IV (except part B), a fund of 7 percent is computed. That 7 percent represents total funds available for all of Title IV, except part B. Finally, the portion of Title IV funds available for part C is 5 percent of the total Title IV funds. The end result is the dollar amount available for JTPA IV(C).

If we asked for an increase in the percentage of our set aside, it would be more difficult for us to promote, and expect increased veteran participation in other JTPA programs, such as Titles II(A) and III.

5. There is no reference in your testimony to the Veterans' Reemployment Rights program, yet in testimony we will hear later there is indication that you will shortly be coming forward with

a legislative recommendation relating to this program. Can you tell us what your plans are regarding VRR? To give you some early warning, I'll tell you that we are planning to hold an oversight hearing on VRR later this session.

The Department of Labor is preparing a major revision of Chapter 43, Title 38, United States Code, the legislation covering the veterans' reemployment rights program. Our intent is to clarify and improve the reemployment protection offered by Chapter 43, and expedite processing of complaints. I am looking forward to a hearing in this important area of our operations.

6. I have several questions regarding the Federal Contractor Program contained in Section 2012 of title 38, U.S. Code, which requires affirmative action in veterans' employment.

First, you recommend only that the Secretary be given authority to establish, by regulation, an appropriate threshold for data collection. Why not recommend the $10,000 contract level now in Section 2012 be increased to $50,000? For the record, would you tell us the number of Federal contractors who are included if the $10,000 is maintained and the number at $50,000 level?

I believe that there is a fundamental difference between the various obligations imposed by the statute at Section 2012 and the issues regarding collection of data from contractors. We continue to believe that all contractors at the threshold established by law should be required to list employment opportunities with local job service offices. Further, such contractors should also be bound not to discriminate against veterans under the affirmative action provision. Because of this, we have not recommended increasing the basic threshold amount to $50,000.

As indicated in my earlier testimony, we recommended that the Secretary be given the authority to establish by regulation the appropriate threshold to allow for future changes in the economy and labor market that would not require legislative change to make an appropriate adjustment. It is true that we believe the current level for reporting employment data should be increased to a level which will still include those Federal contractors who are significant employers of veterans or have the potential thereof, and would be more consistent with other Federal enforcement programs.

It is not possible to determine exactly how many contractors lie between the $10,000 and $50,000 amounts. The statute does not allow us to ask the amount of the contract on which reporting is required. We estimate that roughly 35 to 40 percent of the reporting firms are in that range, primarily through reports submitted.

In its testimony, the DAV points out the VETS-100 annual report required of Federal contractors is used only to identify contractors, not as a compliance and enforcement tool. Additionally, DAV raises some good questions which I'd like to have answered. How many contractors have had sanctions or other action taken against them as a result of the report? How many contractors have been put on notice they are in violation of the law as a result of the report?

Using the VETS-100 as a compliance enforcement tool should be carefully and fully developed; however, the VETS-100 is designed as a data collection tool and not necessarily a tool to lead directly to compliance or enforcement of Federal contractors. To my knowledge there have been no actions taken against Federal contractors as a result of VETS-100. Simply stated, the information contained in the mandated report itself does not necessarily lead to a conclusion that there are violations of the requirement to maintain a veterans affirmative action program.

The information contained in these reports, while available to and used by the Office of Federal Contract Compliance Programs, is not a principal source of information on which to target Federal contractors for compliance reviews.

Except as it relates to failure to file the VETS-100 report, we are not the enforcement agency for the statute. That action is in the area of responsibility of the Office of Federal Contract Compliance Programs (OFCCP) in the Employment Standards Administration of the Department. We have, in the past year, notified approximately 6,000 contractors that they failed to file the form. We are also aware of approximately 1,500 additional notifications to contractors through the compliance process that filing of the form is required. When we are notified by OFCCP of a failure to file, we send a set of forms and instructions to the contractor. In the vast majority of instances, we receive the form or an explanation of why it has not been filed. I am unaware of any sanctions, such as action to debar, that may have been taken as a result of failure to file, or list with the Job Service.

We heard in testimony that VETS will soon have enforcement responsibilities for Section 2012. Is this correct? If so, when will this change be made?

I would like to clarify this. The Office of Federal Contract Compliance Programs has the bulk of Section 2012 enforcement responsibility within the Department of Labor.

I do not recall any VETS testimony concerning this statement. I am not aware of any imminent plan for VETS to have enforcement authority over 2012. On the contrary, VETS is not currently prepared or staffed as an enforcement agency in this area while other agencies like OFCCP do have this enforcement role.

Would you support a change in Section 2012 which would make it an unlawful practice to discriminate against any eligible veteran on the basis of that veterans' status as a veteran, including any service-connected disability? If not, why not?

I agree in principle, that a change to Section 2012 as noted would be a viable addition in support of our ability to assist veterans. However, we are very concerned that a change of this magnitude in the statute could impose a greater workload than we can handle with our current resources. Although I support this as a legal principle, it leaves the very large and unanswerable question of how would such matters be proven. I feel that there would be very few cases where discrimination due to veterans' status or a veterans' service-connected disability could be proven. Proving discrimination is very difficult. Affirmative action is the method which will lead away from discrimination and obtain more Federal contractor jobs for veterans and service-connected disabled veterans.

It has also been suggested that eligible veterans need to have the ability to pursue their complaint beyond the OFCCP level without OFCCP having final discretion regarding which cases will be referred for court action. Do you support this recommendation? If not, why not?

The issue of private right of action requires very careful and thorough review by OFCCP and many agencies within the Department. I will be very involved with a review of this important issue.

It has been reported to this Subcommittee that the Federal Contractor Job Listings supplied to the states are out of date and virtually useless at the service delivery level. In fact, it is our understanding that at least one state is purchasing this information in electronic form directly from the General Services Administration because the information supplied under contracts by VETS is not timely or in a useful form. If these reports are correct, what actions will you take to correct the situation? What is your cost for supplying this information?

The information gained from the VETS 100 reports is old information at the time it is gathered because of its yearly time frame for data reporting. However, we disagree that it is virtually useless information. There is no single source of federal procurement award information that provides all the information that the States tell us they require. While the VETS-100 data is relatively old data, it is often more complete and current than other sources and, assuming that many contractors have recurring contracts, is still a valuable cross-check for the State Job Service on mandatory listings as well as for outreach and technical assistance designed to increase job orders.

I want to add that we also provide information to the states based on the Commerce Business Daily contract award listings. This information, provided through contract by the State of Alabama, provides current information to the states on a wide variety of formats to meet their electronic needs.

Our current cost of supplying the VETS-100 information is about $180,000 annually. This includes the provision of the information in electronic form so it can be accessed through a personal computer by local employment service offices. Our cost for providing Alabama's Commerce Business Daily information is $50,000 per year.

What is the relationship between VETS and OFCCP at the State, regional and local level? Does OFCCP supply adequate copies of Chapters 60 and 61, those chapters in the Code of Federal Regulations pertaining to Federal contractors' responsibilities to veterans, and current complaint forms? Do they actively assist VETS and state employment personnel by providing training? Are they involved in public awareness efforts within the employer community?

VETS and OFCCP have had a Memorandum of Understanding for several years on the implementation of Chapters 60 and 61 as well as 38 U.S.C. 2012 and are now discussing a new, updated Memorandum. We consider our relationship with OFCCP at all levels to be excellent. When a complaint is received, and referred to us by the Job Service, it is immediately transmitted to OFCCP for investigation. They have always been available for training and other assistance and we are confident they will continue to do so in the future.

Based on our experience, we believe that OFCCP area offices provide relevant information regarding the appropriate regulations and assistance in submitting complaint forms to those who are referred by our VETS staff. While VETS' involvement is early in the referral process (i.e., veteran complaint directly to the Job Service) our periodic requests for updates on case files being considered by OFCCP, and lack of veteran dissatisfaction in this matter, do seem to indicate that current information and assistance is being provided.

VETS' field staff routinely direct or re-direct veterans' complaints against Federal contractors to the nearest OFCCP office; the VETS staff are required to monitor and report the number of complaints filed with OFCCP each quarter, and report the status of the complaint cases.

When asked, OFCCP has provided information about the law and necessary complaint forms. OFCCP resource limitations pretty much limit their activity to investigation of complaints.

What steps are being taken to ensure Federal contractor compliance with the provisions of Section 2012, title 38?

During the past years VETS staff have extended our outreach programs to public groups with Federal contractor members such as the Equal Employment Advisory Council, the National Alliance for Business, and others, to carry further the message that filing the annual report is required. Also, annual reporting requirements are included in the Federal Acquisition Regulations which helps assure that Federal contractors are aware of their obligations. In addition, we are aware that a number of Federal agencies, such as DOD, are routinely asking to see a copy of the form during contract option year renewals. The word is getting out and the numbers who file annually is increasing.

7. NCOA recommends in its testimony that DOL and NVTI need to develop exportable training packages for their various courses. I think this is an excellent idea. Is this now being developed or do you plan to pursue this in the near future.

We have been aware for some time that NVTI receives many requests for services such as provision of instructors for State conferences of DVOP/LVER staff, development of training guides and materials, and even to conduct complete training conferences. To explore the projected needs for such activities, we have asked our VETS field staff to identify anticipated activities that NVTI would be requested to perform during calendar year 1991. They cannot perform such outside activities currently since it is not in the annual plan for 1990 as stipulated in their contract with us. However, if we receive evidence that such "exportable services" will be in sufficient demand, we will include appropriate provisions in the NVTI Annual Training Plan for 1991. Further, while the offering of exportable services by NVTI is an attractive adjunct, we intend to keep the process cost-effective by a case-by-case evaluation to conserve scarce funds.

8. In testimony submitted to the Subcommittee, AMVETS suggests that the memorandum of understanding being developed by OPM and ASVET include the cross-sharing and integration of automated systems such as the OPM Federal Job Information System and ASVET Civilian Occupation Management Information System. AMVETS suggested that by developing a joint job information service, DOL and OPM can reduce cost and increase their recruiting audience.

What are your comments regarding this recommendation?

While I certainly appreciate the input of AMVETS on information cross-sharing between our agency and OPM, I fail to see the connection between the two systems suggested. The Federal Job Information System provides vacancy announcement and examination information from Federal Job Information Centers, which used to be walk-in offices. The Civilian Occupation Labor Market Information System (COLMIS) provides support information on labor market conditions, as well as auxiliary data on wage rates and unemployment rates to support DVOP/LVER staff in providing assistance to veterans, particularly in the TAP program.

I might suggest that there are other vehicles for developing this cross-sharing and integration. [The DOL-OPM Memorandum of Understanding is a document that deals with those laws administered jointly by the ASVET and the Director, OPM relating to Federal employment opportunities for veterans. As such, it defines the complaint and referral process to be used when a veteran feels that he or she has not had the priority consideration in Federal employment envisioned by the law.]

Alternatively, we are engaged with the Employment and Training Administration in developing a Multi-State Job Bank System that is currently being pilot tested in DOL Region III. That system ties together many of the public and private sources including Federal jobs information. It will shortly be extended to include COLMIS information as well. This project is designed to a) allow the veteran to conduct a self-search of available jobs; b) allow the veteran to enter personal data into a protected information system for job-matching purposes; c) allow employers to enter job orders without assistance from Job Service personnel; and, d) allow employers to search the applicant pool according to search criteria established by the job order. Most importantly, for the applicant, this search is not only self-directed but will be conducted in non-traditional settings such as malls and libraries rather than at Job Service locations. With this system, we are particularly aiming to reach hard-to-place veterans and disabled veterans who are out of the job market but want to return to employment.

This pilot project includes federal as well as state and private listings from all parts of the country. We expect federal listings to increase over the next two years as the pilot expands. We also expect that our current project for providing COLMIS information will be included as the applicant attempts to choose what area of the country presents the best job opportunities. We expect that this pilot will result in a new and more comprehensive relationship among OPM, DOL and the Job Service and increase their effectiveness toward veterans' services.

9. ICESA suggested that authority be provided to permit the provision of employment assistance by DVOPs and LVERs to family members in addition to the separating servicemember. Are you supportive of this? How many individuals would this involve?

Title 38 now prohibits DVOP specialist and full-time LVER staff from serving non-veterans, except in a pilot site designated for the Veterans' Transition Assistance Program (TAP). At these pilot sites, DVOP and/or LVER staff may assist service members preparing to separate from the armed forces as they reenter the labor market. However, we do not interpret this to mean spouses or dependent children.

Approximately one-half of the estimated 300,000 individuals currently separating from the armed services each year has a "significant other" that may also need transition assistance. I believe, as you may also find from the Department of Defense, that an integrated delivery of services including all family members is the most meaningful approach when providing relocation assistance. Once fully operational at all separation sites, such a mode of operation would increase the serviceable population from 300,000 to over 500,000 annually, if Congress determines spouses and working age dependents should also be provided services by DVOP/LVER staff. This could of course have resource implications, if dependent assistance included one-on-one counselling by DVOP/LVER staff. Permitting dependents to attend briefings for separating servicemembers on the other hand could be accomplished with the same resources used to reach the servicemembers.

10. On page three of your testimony, you state that the Federal Government is making a "major effort" to assist homeless veterans. Could you give us some specific examples of programs designed to help the homeless veteran, and some sense of whether these programs are providing successful?

The Veterans' Employment and Training Service administers a program to "help homeless veterans reintegrate into the labor force" under the Stewart B. McKinney Homeless Assistance Act of 1987. Called the Homeless Veterans Reintegration Project (HVRP), programs are currently operating in 18 cities nationwide in a demonstration effort to determine what approaches work best with this client group. The projects feature outreach workers who have themselves experienced homelessness, linkages with other providers of services to veterans and the homeless such as the Department of Veterans Affairs (DVA) and social service agencies, and all projects are focused on employment and training. This HVRP project started in fiscal year 1988 with an initial allocation of $1.9 million in McKinney funds. These were awarded through a competitive process. The same grantees were continued in FY 1989 with $1.8 million in McKinney funds. A competition was held recently for FY 1990 and approximately 15 grants will be awarded using the McKinney allocation of $1.9 million.

At the end of FY 1988, through HVRP, 10,081 contacts were made with homeless veterans, 5,773 were served in the program, 1,476 were placed in jobs, and 729 veterans retained those jobs for at least 13 weeks with an average wage of $5.92 per hour. These figures indicate success with an overall placement rate of 38%. A formal evaluation has been undertaken by an outside contractor to meet the McKinney Act mandate of a report to Congress, the President and the Interagency Council on the Homeless as to those aspects of the program design and techniques which are most successful in accomplishing the mission of assisting homeless veterans to participate in the labor force again. This report will be available shortly and reflects a successful overall program structure for replication elsewhere.

11. Do you have suggestions for additional programs that might be of help to this particular group of veterans?

In terms of additional programs to help homeless veterans, we first of all would recommend replication of our present Homeless Veterans Reintegration Project (HVRP) in areas not now serviced through this program. The evaluation report mentioned in response to Question #10 above will highlight features that worked well, and aid in exporting the program design beyond the present 18 areas.

We are expanding the concepts of HVRP to a rural pilot project that will be initiated early in FY 1991. This pilot will explore the lesser known needs of homeless veterans outside of urban areas. The Secretary of Labor is exploring a new initiative through the combined efforts of VETS and the Employment and Training Administration (ETA) to provide guaranteed jobs and housing for homeless individuals including homeless veterans and their families.

I would suggest that programs which access both housing and jobs and meet the special treatment needs of homeless veterans appear to be the most successful.

12. What was the total number of veteran applicants who sought assistance through Employment Service Programs in Program Year 1988 (July 1, 1988 through June 30, 1989)?

According to the ETA 9002 report of Services to Veterans run December 12, 1989, 2,335,888 veterans and eligible persons applied for assistance during the Program Year that ended June 30, 1989.

13. What was the total number of Vietnam era veterans who sought assistance through the Employment Service in Program Year 1988?

According to the ETA 9002 report of Services to Veterans run December 12, 1989, 1,018,936 Vietnam era veterans applied for assistance during the Program Year that ended June 30, 1989.

14. What was the total number of disabled veterans who sought assistance through the Employment Service in Program Year 1988?

According to the ETA 9002 report of Services to Veterans run December 12, 1989, 130,189 disabled veterans applied for assistance during the Program Year that ended June 30, 1989.

15. What was the total number of Special Disabled Veterans who sought assistance through the Employment Service in Program Year 1988?

According to the ETA 9002 report of Services to Veterans run December 12, 1989, 50,059 special disabled veterans applied for assistance during the Program Year that ended June 30, 1989.

16. How many and what percentage from each group received some reported service?

According to the ETA 9002 report of Services to Veterans run December 12, 1989:

> Of the 2,335,888 veterans and eligible persons that applied for assistance during the Program Year that ended June 30, 1989, 1,226,530 or 52.51% received some reportable service;
>
> Of the 1,018,936 Vietnam era veterans that applied for assistance during the Program Year that ended June 30, 1989, 546,469 or 53.63% received some reportable service;
>
> Of the 130,189 disabled veterans that applied for assistance during the Program Year that ended June 30, 1989, 72,188 or 55.45% received some reportable service; and
>
> Of the 50,059 special disabled veterans that applied for assistance during the Program Year that ended June 30, 1989, 26,164 or 56.26% received some reportable service.

17. How many and what percentage from each group received some reported service?

See Question 16.

18. How many and what percentage from each group were counseled?

According to the ETA 9002 report of Services to Veterans run

December 12, 1989:

> Of the 2,335,888 veterans and eligible persons that applied for assistance during the Program Year that ended June 30, 1989, 189,298 or 8.1% were counseled;
>
> Of the 1,018,936 Vietnam era veterans that applied for assistance during the Program Year that ended June 30, 1989, 90,920 or 8.92% were counseled;
>
> Of the 130,189 disabled veterans that applied for assistance during the Program Year that ended June 30, 1989, 23,689 or 18.2% were counseled; and
>
> Of the 50,059 special disabled veterans that applied for assistance during the Program Year that ended June 30, 1989, 8,995 or 17.97% were counseled.

19. How many and what percentage were referred to training?

According to the ETA 9002 report of Services to Veterans run December 12, 1989:

> Of the 2,335,888 veterans and eligible persons that applied for assistance during the Program Year that ended June 30, 1989, 58,722 or 2.51% were referred to training;
>
> Of the 1,018,936 Vietnam era veterans that applied for assistance during the Program Year that ended June 30, 1989, 27,079 or 2.66% were referred to training;
>
> Of the 130,189 disabled veterans that applied for assistance during the Program Year that ended June 30, 1989, 5,347 or 4.11% were referred to training; and
>
> Of the 50,059 special disabled veterans that applied for assistance during the Program Year that ended June 30, 1989, 2,349 or 4.69% were referred to training.

20. How many and what percentage from each group were placed in training?

According to the ETA 9002 report of Services to Veterans run December 12, 1989:

> Of the 2,335,888 veterans and eligible persons that applied for assistance during the Program Year that ended June 30, 1989, 20,522 or .88% were placed in training;
>
> Of the 1,018,936 Vietnam era veterans that applied for assistance during the Program Year that ended June 30, 1989, 9,915 or .97% were placed in training;

Of the 130,189 disabled veterans that applied for assistance during the Program Year that ended June 30, 1989, 2,139 or 1.64% were placed in training; and

Of the 50,059 special disabled veterans that applied for assistance during the Program Year that ended June 30, 1989, 994 or 1.99% were placed in training.

21. How many and what percentage from each group were placed in jobs lasting 150 days or longer?

According to the ETA 9002 report of Services to Veterans run December 12, 1989:

Of the 2,335,888 veterans and eligible persons that applied for assistance during the Program Year that ended June 30, 1989, 349,788 or 14.97% were placed in jobs lasting 150 days or more;

Of the 1,018,936 Vietnam era veterans that applied for assistance during the Program Year that ended June 30, 1989, 148,476 or 14.57% were placed in jobs lasting 150 days or more;

Of the 130,189 disabled veterans that applied for assistance during the Program Year that ended June 30, 1989, 23,691 or 18.2% were placed in jobs lasting 150 days or more; and

Of the 50,059 special disabled veterans that applied for assistance during the Program Year that ended June 30, 1989, 9,530 or 19.04% were placed in jobs lasting 150 days or more.

22. How many job openings are listed with the employment service for each applicant?

The Employment Service received 7,239,823 openings during Program Year 1988. Considering there were 18,085,692 applicants during that Program Year, there was 0.4 of an opening for each applicant or two openings for every five applicants.

23. How many of these jobs were for professional managerial or technical positions?

We do not have this information. Although many States still elect to maintain such data, it is not in the Federally-required information collection budget to request and compile such national data.

24. What is the median wage paid to veterans placed by the Employment Service?

We do not have this information. Although many States still elect to maintain such data, it is not in the Federally-required information collection budget to request and compile such national data.

25. What is the median earnings of the nation's full-time wage and salary workers?

Our Bureau of Labor Statistics estimates the median earnings of the nation's full-time wage and salary workers during calendar year 1989 to have been approximately $399.00 per week (Males: $468.00 per week).

26. What is the median earning for men (45-54 (the median age of the nation's veteran workforce)?

According to the data estimates by the Bureau of Labor Statistics, the median earnings for males between the ages of 45 and 54 in calendar year 1989 was $569.00 per week.

27. What is the average wage paid under Title IIA of the Job Training Partnership Act?

The average wage paid at placement to Job Training Partnership Act, Title IIA participants in Program Year 1988 was $5.01 per hour.

28. What is the number and percentage of unemployed veterans that are "Economically Disadvantaged" and thus would qualify for training under Title II of JTPA?

We are unable to locate or generate data on "Economically Disadvantaged" veterans. We are, however, interested in this matter and are pursuing efforts to gain more information.

29. What employment, training counseling, and supportive services are potentially available to veterans through ETA's Office of Work Based Programs?

ETA's Office of Work Based Learning is a very recent and promising effort to consider new and consolidated approaches in the delivery of services to groups eligible for services under the Trade Adjustment Act, JTPA Title III as amended by the Economic Dislocation and Worker Adjustment Assistance Act, and the Bureau of Apprenticeship and Training (BAT). One of the primary emphases of Work Based Learning is to prevent the dislocation of workers from the labor force. Given that veterans appear to account for a significant portion of the dislocated work force, we should surely expect benefits in this regard. Eligible veterans will be able to receive the services which can be provided through the legislation germane to the Trade

Adjustment Act, JTPA Title III and BAT.

30. What specific directives, guidelines and technical assistance has VETS issued on accessing ETA's resources, particularly EDWAA?

VETS is presently preparing a Veterans' Program Letter that addresses this subject. This issuance will be distributed to all USDOL Regions, the VETS' Directors in each State, and all State Employment Security Agencies and JTPA Administrative Entities. Certainly given what appears to be certain increases in the number of servicemembers who will separate from military service in the next few years, more veterans will be eligible for the services provided through programs administered by the Employment and Training Administration such as the Bureau of Apprenticeship and Training (BAT) and JTPA Titles IIA and III.

31. It is estimated that only ten percent of available jobs are listed with the Employment Service. What are you doing to access the 90 percent that are not listed with the ES?

The number of job openings received by the employment service in Program Year 1988 increased by 1.3% from the prior Program Year. Our efforts to develop new jobs and openings through effective use of Disabled Veterans' Outreach Program (DVOP) specialists, through enhanced identification of Federal Contractors, and through the provision of job search assistance have increased.

The DVOP specialists are required to develop job openings among area employers. Rather than a "shotgun" or "cold-canvas door-to-door" non-specific approach, DVOP specialists are encouraged to perform "targeted job development" for veterans using a caseload approach. That is to "sell" a number of veterans of like interests/work backgrounds to those employers most likely to have or create openings in those job classifications. Through increased coordination and access to Job Training Partnership Act, Title IV, Part C applicants, DVOP staff can market veterans, and develop reimbursable training leads for JTPA IV-C follow-up. This has been shown to productively increase the pool of satisfied employers who will be receptive to considering the employment of other veterans in the future.

Our Federal Contractor Program reporting, through the use of the VETS 100 form, resulted in the identification of Federal contractors who may not have listed their openings with the ES in the past. By making the lists available to States, the number of Federal contractors contacted by DVOP or Local Veterans' Employment Representatives (LVERs) and apprised of their affirmative action obligations should increase. The number that, as a result of such contacts, begin listing their openings with the ES should also increase.

As we indicated in question #6 and above, we are attempting to provide the Job Service with additional tools that will increase the number of listed opportunities. In addition, we have included in the curriculum at the National Veterans' Training Institute considerable attention to technical assistance and outreach as a way to increase job opportunities. These are some of the ways we are looking to expand our access to the employer community within the framework of the existing public employment service delivery system.

32. Do you believe the current focus of the DVOP Program (on Vietnam era veterans, disabled veterans) adversely impacts resources and services available for other veterans (women, minority, Hispanics, Native Americans, older veterans)?

The Veterans' Employment and Training Service never issued policy or direction to the effect that DVOP specialists serve Vietnam era and disabled veterans to the exclusion of all other veterans. DVOP specialists are, however, to give the maximum focus to the disabled and Vietnam veterans, especially those who are economically or educationally disadvantaged. The significant segments (age, sex, ethnicity) of the population cut across all veterans categories and veterans of all such categories may be served by DVOP specialists without violating Title 38, Section 2003A, United States Code.

We have strengthened our commitment to services to Vietnam Theatre, Hispanic, Black and special disabled veterans as well as women veterans, by targeting them for JTPA, Title IV, Part C (IV-C) program services. In their 1987 study, the Bureau of Labor Statistics indicated that 9.6% of the Vietnam theatre veterans were black and 4.8% were Hispanic.

DVOP and LVER staff will be providing all pre-screening and, in many cases, performing outreach to identify and serve those potential IV-C participants. It is further required that those veterans found job ready or eligible for other training opportunities be provided those services. This potentially increases the number of Hispanic, Black and women veterans that may be served. DVOP and LVER staff will have the ability to serve many more veterans in these target categories than will be enrolled in IV-C. This is because they are "Economically Disadvantaged" and thus would qualify for training under Title II of JTPA.

33. You propose to conduct a study of the role of DVOP in the 1990s.

Given that the current definition of "veterans of the Vietnam era" terminates December 31, 1991, and you propose to

conduct the study, why do you oppose the 5-year extension?

Who will conduct the study?

When will the study commence?

When do you anticipate the study will be completed?

Will you provide a copy of the study to this Committee?

I stated that I proposed to study the DVOP and LVER programs with a view to future needs. I propose to review these programs in the process of budget submission for fiscal year 1992, which is now in its beginning stages. Please do not construe our review of the DVOP/LVER programs as part of our budget process as opposition to an extension. We simply recommend that consideration of an extension be postponed until calendar 1991 when the results of our look at how to make DVOP most effective for the 1990's will be available.

The remaining questions assume a formal study that I did not imply, but to answer the questions -- it will be conducted by VETS; it has already started, since our preparations for our budget submission for FY 1992 are in progress; and we anticipate our study of these programs will be completed as we submit our budget proposals for FY 1992 to Congress, and in particular your Committee.

34. You said that the Advisory Committee proposed in H.R. 4087 would create redundance and duplication of the functions of the Office of the Assistant Secretary for Veterans' Employment and Training and would be very costly with its provisions for per diem and travel and for the preparation of a separate assessment and report.

How would the proposed Advisory Committee be redundant and duplicative?

Do you have cost estimates which support your statement that the proposed Advisory Committee and its related responsibilities would be very expensive?

The Office of the Assistant Secretary for VETS is currently charged with the responsibility of assessing, evaluating and reporting on matters of veterans' employment. Thus, the revision of the advisory committee would duplicate these basic operational roles. For example, assessments of veterans' needs are carried out regularly in allocation of DVOP/LVER positions according to veterans' population and, also, each JTPA Title IV(C) grant includes a needs assessment component. In addition, the success of Department of Labor veterans' programs is determined through the evaluations of all full-service State Job Service offices by

VETS field staff, continuous monitoring of compliance of State Job Services with quantitative performance standards, and on-site reviews of JTPA IV(C) grantees. Of course, the reporting function of VETS requires the annual report to Congress per Title 38, U.S. Code, Sections 2007(c) and 2012(c). Recommendations for legislation and regulations are handled as part of on-going VETS responsibilities, usually resulting from the functions mentioned above. It appears that the three basic functions of the new committee would duplicate the efforts of the Office of the Assistant Secretary for Veterans' Employment and Training by making parallel assessments, determinations and reports.

In recent years the funding for veterans' employment and training has been only adequate, with no surpluses. As a result, we are pressed to provide the basic services required in veterans' employment and training. To add an expensive advisory committee would not appear to be wise use of the current and projected limited resources available in the veterans' employment arena.

Also contained in the proposed amendment are costly provisions for travel and per diem expenses which are not incurred under the existing Secretary's Committee and thus currently unappropriated.

Another provision not currently under the Secretary's Committee on Veterans' Employment would require the Secretary to provide administrative and staff support to the newly created committee. While current administrative support provided to the Secretary's Committee costs less than $10,000 per year, these costs could rise uncontrollably if chairmanship of the committe leaves federal responsibility. If the intent is for the Secretary to provide, through the very limited resources of the existing Veterans' Employment and Training Service, full-time staff personnel and an administrative budget then it would be an unnecessary drain upon limited veterans' employment funds.

GEORGIA DEPARTMENT OF LABOR

JOE D. TANNER
Commissioner

Sussex Place
148 International Boulevard, N.E.
Atlanta, Georgia 30303

May 10, 1990

The Honorable G.V. (Sonny) Montgomery
U.S. House of Representatives
Committee on Veterans' Affairs
335 Cannon House Office Building
Washington, D.C. 20515

Dear Representative Montgomery:

As requested in your letter of April 26, 1990, enclosed is my response to the additional questions submitted by the Honorable Timothy J. Penny, Chairman of the Subcommittee on Education, Training and Employment, Committee on Veterans' Affairs.

Hopefully my response is adequate, however, if additional information is needed please let me know.

Sincerely,

Jim Lowe

James A. Lowe
Deputy Commissioner

Enclosure

RESPONSE TO THE HONORABLE TIMOTHY J. PENNY'S QUESTIONS

1. It has been suggested that the Transition Assistance Pilot Program be greatly expanded in order to accommodate the numbers of individuals expected to be separated from active duty military service in the next few years. I am concerned, however, that the staffing level of LVERs and DVOPs requested by the Administration for FY 91 would be totally inadequate to handle an increased workload. What is your assessment of the situation?

RESPONSE: Georgia is a pilot state for the Transition Assistance Pilot (TAP) program in 1990. To participate in the program at Ft. Benning and Ft. McPherson for the remainder of FY 1990, we estimate our additional costs will be approximately $34,000. The Veterans Employment and Training Service has given us verbal assurance they will provide the additional financing; however, we estimate our regular DVOP/LVER program has been "shortfunded" about $91,000. Thus, we have serious questions about accepting the TAP funding while concurrently having to contribute other resources to augment a Federal program not fully funded for the present FY/PY.

With the foregoing as background, my assessment of a nationwide cut in DVOP/LVER staffing with an increased workload for the TAP is as follows:

- Only States with a separation center(s) will be immediately impacted with an increased workload. Such an increase may possibly strain their ability to get the job done because of limited resources.
- As released service personnel return to their homes of record, services to veterans will be limited significantly if there are fewer DVOP/LVER staff.
- Because of continued cuts in the funding of each state's basic employment service operations, resources are not available to "take up the slack" if DVOP/LVER funding is inadequate.
- Title III of JTPA (EDWAA) can provide resources to assist in TAP. However, civilian worker dislocations resulting from overall Defense downsizing may use these resource up very quickly.
- Because funding for the Employment Service, including DVOPs/LVERs, comes from a dedicated trust fund financed by the Federal Unemployment Tax Act, there has never been a question of the availability of funding. The question has always been will the Department of Labor ask for, and will the Congress appropriate the necessary funds.
- Not only must the authorized DVOPs/LVERs be funded, all associated costs must be funded.

What all of the above means is that State Employment Security Agencies should not be expected to take on additional work without additional funding. TAP cannot be successfully expanded without adequate resources. Simply funding the DVOP/LVER program at the statutorily authorized level will not necessarily get the job done because, since 1982, the basic ES system has lost 16,000 staff and 700 offices.

2. What would be the effect on services to veterans in your state if LVERs and DVOPs were reduced nationwide by nearly 10%?

RESPONSE: Veterans will still receive priority service, but the fact remains that veterans' services are overloaded now and will only be more so in the next five years if the proposed defense downsizing is implementod.

3. I am very interested in your suggestion that a single veterans specialist classification be established. I think, however, we could anticipate a concern for the level and quality of services to disabled veterans might be expressed. How would you respond to that?

Regarding the study of this issue that you suggested -- what areas would be encompassed by the study and whom do you recommend to conduct the study?

RESPONSE: It is very likely that Veterans Service Organizations will initially express concern for the level and quality of service to disabled veterans if there is a single veterans specialist classification. However, it is my judgement the concern will be without justification. No one has suggested that combining into one classification will mean our preference system will change. I sincerely believe that most activities of the DVOP or the LVER are so similar the only significant difference is in the job title of the person delivering the service. Even though PL 100-323 outlines the duties of each specialist, in practice, job duties are not so clear. Therefore, I do not see the quality or level of service to a disabled veteran being decreased; to the contrary I believe that service would be strengthened under a case management program.

With regard to a study of a single classification for the Veterans Specialist, I believe the time has come for a review of the entire subject of veterans' employment and training. This is because this subject area is far more important than just an issue of classification.

The study should be conducted by the General Accounting Office (GAO) or some other entity without a vested interest. I believe the entire system for veterans employment and training should be reviewed. Such a study or review would include the administration of the program by USDOL and its implementation by SESAs, and it should recommend what this nation must do to ensure a viable employment and training program for veterans.

4. I am also interested in your recommendation that DVOPs and LVERs be authorized, but not required, to process initial Unemployment Insurance (UI) claims for veterans and other eligible persons.

As you describe it, it seems like a common sense suggestion that would benefit veterans. Is there a "down side" to this change that isn't readily apparent?

What guarantees are there to ensure veterans continue to receive priority service?

What states currently have or are developing the "one-stop shopping" concept of employment services?

RESPONSE: The only "down side" we can now identify would most likely be in loss of initial productivity resulting from required training of the DVOP/LVER staff. Conversely, once the present staff were trained, their ability to case manage any veteran seeking services would likely prove to be the most efficient and effective way to provide services to veterans.

The guarantee that veterans would continue to receive priority service would be the same as presently in place today, i.e., law and regulations.

I do not know which states currently have or are developing the "one-stop shopping" concept. However, I do know that basic funding reductions in the UI and ES programs nationwide have forced a large percentage of the SESAs to combine these services. I would judge that only a few SESAs now have separate UI and ES offices throughout their states.

5. I share your concern that ASVET staff be involved with the JTPA program at the Service Delivery Area (SDA) level, and I would appreciate it if you would expand on this issue.

What steps can ASVET staff take to assure that veterans are adequately served in the JTPA program?

In your view, will veterans be adequately served by JTPA and other programs without the ASVET involvement?

RESPONSE: I do not believe the ASVET staff will be able to assure that veterans are adequately served in the JTPA programs until the Secretary decrees that veterans will be afforded the opportunity to participate. Should this happen, the "system" must be so informed. Then ASVET staff must actively review local JTPA programs to assure veterans have been provided a chance to participate.

Veterans will not be adequately served by the JTPA until the ASVET, ASETA, and the Secretary are involved.

6. Concerning automation of ES operations, what services are presently automated?

What services are in need of automation?

How would automation of these services benefit veterans' employment and training services?

RESPONSE: A truly adequate response to the first part of this question would require an in-depth survey of all states. There are states which have some form of on-line, statewide system for order taking and applicant referral, but in others, automation is either archaic or non-existent. We have a long way to go to bring all states to a productive level of automation. In fact, we have requested $25 million in our FY 1991 Appropriations to support ES automation needs.

Any service provided by the ES that can be automated should be automated to ensure the most efficient service delivery. However, in Georgia, as an example, we do not have sufficient terminals available for all staff who need them just to carry on normal intake and referral activities.

Veterans would benefit in the same way as any applicant coming into an ES office -- they would receive faster and better service and more information of a timely manner would be available.

7. Assuming a transition assistance plan for servicepersons within 180 days of discharge and their family members is implemented:

Have you estimated the number of family members who might seek assistance each year?

Have you estimated the yearly cost of such assistance?

RESPONSE: No estimate, to my knowledge, has been made of the number of family members who might seek assistance each year. Nor has there been an estimate of the yearly cost of such assistance.

8. You recommend a study of the single ES veterans specialist:

What areas would be encompassed by the study?

Whom do you recommend to conduct the study?

RESPONSE: Please see my response to question number 3.

9. Do you agree that DOL has the right and responsibility to insure the proper use of its funds?

RESPONSE: Without question USDOL has the right and responsibility to insure the proper use of its funds.

10. What is DOL's proper oversight role?

RESPONSE: USDOL's proper oversight role should be that of assuring whatever is agreed to in grant negotiations is accomplished. Their role should not be that of second guessing how a State carries out its functions as long as the grantee meets the conditions and provisions of the grant, the regulations (if there are regulations) and the appropriate law(s).

11. Are there other examples of micromanagement in administrative or operations areas?

RESPONSE: In Georgia we do not encounter any situations we cannot usually resolve to mutually agreed upon satisfaction. Thus, since I cannot provide documented recent examples of micromanagement in my state, my response will be a qualified "no."

12. You suggest on page three of your testimony establishing "single veterans specialist classification" to serve veterans seeking assistance in state employment offices.

How would this change the delivery of services to veterans?

What specific difficulties has the present system (LVERS and DVOPS) caused within job service offices and in accommodating veterans?

RESPONSE: My recommendation for the establishment of a "single veterans specialist classification" was for the purpose of being able to provide all employment and training needs of veterans by one person. The result would be each veteran could receive the entire range of initial services from one person; the "specialist" could take an unemployment benefit claim, provide dislocated workers services, etc., on a priority basis rather than on a "first-come, first-served" basis.

The difficulty in accommodating veterans with the present DVOP/LVER system results when a veteran needs more than basic ES services provided by the DVOP/LVER. If a veteran is referred for other services, very likely he/she will have to wait his/her turn rather than receive priority service.

13. You point out in your testimony on page 3 that the transition program ought to be "family oriented" and include employment services for the spouse of a serviceperson.

What budgetary impact do you believe this would have upon the transition program?

Do you believe this would increase overall efficiency in delivering job services?

RESPONSE: It will cost more money if spouses are included in the transition program and more "classes" are required. However, costs will not double. More likely costs will increase in a range of 25 to 30 percent.

It should lead to an overall efficiency in delivering job services since spouses will receive services at the same time the service member receives them.

14. You describe that in Georgia local employment offices operate under a "single point of contact system." You also explain that the veteran could be at a disadvantage under this system because they are required to enlist the services of two individuals instead of one.

Is this "single point of contact system" used frequently in other job service offices around the country?

Would enabling DVOPs and LVERs to process unemployment insurance forms overburden their workloads?

RESPONSE: As stated in question 4, more and more SESAs are employing this single point of service concept.

The majority of those persons who have considered using DVOPs/LVERs for initial claims do not believe their workload would be overburdening. It is my understanding that New Hampshire, one of two pilot states using DVOPs/LVERs to take claims, estimates the taking of initial claims consumes less than 15 additional minutes time of the veteran's time or, for that matter, DVOPs/LVERs' time.

STATE OF NEW YORK
DEPARTMENT OF LABOR
GOVERNOR W. AVERELL HARRIMAN
STATE OFFICE BUILDING CAMPUS
ALBANY, NEW YORK 12240

THOMAS F. HARTNETT
COMMISSIONER OF LABOR

May 15, 1990

The Honorable G. V. (Sonny) Montgomery
Chairman
U. S. House of Representatives
Committee on Veterans Affairs
335 Cannon House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

I wish to thank you for the opportunity to express our views at the Subcommittee on Education, Training, and Employment hearing on April 25, 1990.

As you requested, attached please find the answers to the questions submitted by the Honorable Timothy J. Penny, in the required format.

Sincerely,

Thomas F. Hartnett

New York State Department of Labor
Responses to Questions from Honorable Timothy J. Penny
From Hearing of April 25, 1990
Department of Labor Program for Veterans

1. What has been your state's experience with the "single unified office", or Community Service Center, concept in the delivery of services to veterans?

The New York State Department of Labor's experience in the past one and one half years with the Community Service Centers has supported our belief that you can deliver quality services to all persons, ensuring priority of service to veterans, and extending preference to special disabled veterans in the Community Service Center setting. While the initial production figures of activity as reflected in the Veterans Performance Standards has remained the same or been slightly diminished during the the initial consolidation and renovation, the quantity and the quality of service has improved subsequent to that initial period.

The response of veterans seeking our services mirrors in large extent that of the general population in this regard. As the attitude of employers, individuals, and the general community toward our services becomes more positive, more veterans seek our services and we are able to provide improved services to those veterans.

As an example, the Morris Park Avenue Community Service Center in the Bronx now has a New York State Division of Veterans Affairs Benefit's Counselor on site one day per week to assist veterans with their claims. In addition, the American Red Cross veteran and family services counselor is present, one day per week. The presence of these service providers, in addition to others such as the community college and community based job training programs is helping us better implement the "whole person" concept in addressing the special needs of veterans.

The New York State Department of Labor believes that our mission as Governor Cuomo has stated in announcing the Veterans Bill of Rights for Employment Services, is "to assist veterans to obtain and sustain meaningful employment at a decent wage." We already know that the organized veterans community and individual veterans regard us in a more positive light than was the case before we started this process. As we are able to deliver faster and more effective services to veterans in our offices (as well as a broader range of services from other service providers within our facilities), we believe that the number and the percentage of veterans placed in employment will rise and that the average wage will increase as well. That has been the case in locations such as Schenectady, where the reportable services to veterans both as a percentage and as absolute numbers, has risen dramatically since consolidation.

Has the "cross training" of DVOPs to do UI intake in these Community Service Centers enhanced the delivery of services to veterans?

Perhaps the most important employment security service that we can deliver immediately to a veteran who has just lost their job is to assist them in securing unemployment compensation. This enables that veteran to sustain themselves and their family while other services take place. Where our Veterans Resource Staff are fully "cross trained" we are able to register the same person for both Unemployment Insurance and for employment services with one simple process. On the busy "walk in" days (typically Mondays and Tuesdays), Community Service Centers set up "Veterans Only" lines to process veterans immediately.

The difficulty we are currently experiencing is a severe shortfall of funding for administration of Unemployment Insurance. As a consequence, we had to suspend all cross training to veterans staff as well as actual "cross functioning" of DVOPs and full time LVERs since February. Once the Congress provides additional resources we plan to resume this activity.

We believe the best way for our DVOPs to understand how the UI system works is to actually participate in the system (on the job training). Once they understand UI they are better able to function as an advocate to ensure that each veteran receives the UI compensation to which they are entitled.

Do you think this concept is an appropriate approach for other states?

We believe that Veterans Resource Staff (both DVOPs and LVERs) fully participating in the full range of services provided in our Community Service Centers is the best approach in New York. It would be an appropriate approach in any state that has moved to fully consolidate and unify their employment security service delivery offices. We believe this for a number of reasons:

- First, veterans should be able to receive both Job Service and Unemployment Insurance assistance from one staff member.

- Second, DVOPs who are outstationed can provide a broader range of services, which is often important because of geographic distances.

- Third, it is important that local office staff be able to function as a unit, and that everyone be able to do their part, especially on difficult days where we experience high volume "walk in" traffic. It is very important to the overall office cohesiveness and commitment to common purpose on which provision of priority services to veterans is based on, that DVOPs and full time LVERs be able to take original claims especially on high volume days.

In the single unified office, how is priority of service to veterans assured?

All of the previously existing safeguards for monitoring the priority of referral to jobs and other services remains intact and effective in the new structure. Coding of veterans for priority remains the same, and the procedures for "veterans file search" to match veterans with open job orders first remains the same.

We continue to first ask each person "Did you ever serve on active duty in the United States military?" If the answer is affirmative, they are provided with a copy of the New York Veterans Bill of Rights for Employment Services immediately. Also, the New York Veterans Bill of Rights for Employment Services posters and materials are prominently displayed in all department local offices and Community Service Centers. Furthermore, the Local Veterans Employment Representative now reviews both UI and employment service functions as the advocate for the individual veteran.

As noted in one of the answers to a previous question, we also often set up a "Veterans Only" line in some locations at particularly busy times to speed the process for veterans.

2. Has the New York State Veterans Bill of Rights for Employment Services and the New York State Veterans Employment and Training Resource Guide improved the Quality of services for the veterans in your state?

The basic premise of the New York State Veterans Bill of Rights for Employment Services is to inform current and potential customers who are veterans of what they have a right to expect from us, and to provide an effective accountability mechanism (in the form of the toll-free "Veterans Hotline") for them to seek redress if they believe they have not been treated properly. What this has accomplished is to establish a base minimum of service in each of our offices. The reason we believe that it is working is that the number of complaints from veterans in regard to employment services delivered by New York Labor has diminished from a high of 56 in June of 1988, to an average of approximately three per month for the past five months, even though the total volume of calls has risen dramatically.

Other forms of service, such as those measured by the veterans performance standards have also improved over the past two years. We also believe that this improvement in the minimum level of service provided to veterans has resulted in improving the quality of services to all persons.

The New York State Department of Labor is continuing a series of training sessions for all staff, from clerks to typists to managers as to what the New York State Veterans Bill of Rights Employment Services means. These sessions also provide staff with training on what are the special needs of veterans and the role and responsibilities of every single staff person at NYSDOL to ensure that priority of service to veterans is accorded by the entire department.

It is too early to judge the impact of the "New York State Veterans Employment and Training Resource Guide." This "Guide" was designed and written by our Veterans Resource Staff and Grants Management staff in association with the staff from the Governor's Job Training Partnership Council. We received significant assistance and guidance from James H. Hartman, Director, Veterans Employment and Training-United States Department of Labor in New York State and from Mr. John Nunnery and his staff at the National Veterans Training Institute (NVTI) in Denver.

We intend to use the "Guide" as a basic text for training the staff of Job Training Partnership Act entities in how to recognize and effectively address the special needs of veterans. The "Guide" is designed to also serve as a desk top quick reference. We will also use the guide for continuing in-service training of our own staff. A number of union and other service providers have also expressed interest in obtaining copies and the accompanying training for their people.

The actual process of developing the "Guide" has resulted in closer cooperation between individuals and organizations than was the case prior to this effort, so that we have cause to believe that this effort will be successful.

3. You mention in your statement that you were finally able to obtain the names and addresses of separating service members. How did you do this? Can you share with us your process for identifying and contacting veterans who have been released due to a reduction-in-force?

Through the assistance of the Non-Commission Officers Association (NCOA) we discovered that the New York National Guard Recruiting Command is receiving this information in electronic form from the Department of Defense on a quarterly basis. We are now in the process of accomplishing the programming necessary to secure and utilize this data to send every returning service member information on what entitlements and assistance are available to help them effectively rejoin the civilian workforce, with a particular emphasis on the New York State Veterans Bill of Rights for Employment Services provided through our local offices.

We believe that the Department of Defense and the United States Department of Labor could set up a system whereby other states Employment Security Agencies could access this data in usable electronic form.

4. I'm impressed with the success of Project AMER-I-CAN, under which 32 blinded veterans were placed in full-time employment, and I know New York State has initiated many other creative and successful projects assisting veterans. How can other states be informed of these activities and encouraged to implement similar programs?

In order for other states to implement the special programs like Project AMER-I-CAN, that have proven to be so successful in New York State, these states must be shown what these programs can do for them in their veterans population.

Our experiences to date have shown that Project AMER-I-CAN, can bring enormous amounts of promotional activity (locally and statewide) for the individual state DOL program and its veterans activities. This activity almost always includes the state political leaders, commissioners and state program administrators. In addition, large state veterans organizations cannot help becoming involved. We have found that the success of one program usually results into the creation of other programs.

The success of Project AMER-I-CAN resulted in the establishing of a follow-up program, Operation Veteran Asset. This special outreach effort targets the veteran population that is considered "less than fully ambulatory" (wheelchairs-prosthetic devices-quadraplecics). In order to successfully conduct a special program, information and knowledge was obtained concerning the issue or disability. The next step usually involves the creation of a new "network" of contacts which is the case of Operation Veteran Asset, resulted in a previously untouched population of disabled veterans being given appropriate services.

There are many positive results when a special program is conducted in an individual state, the most important one is that of "unity" among the Veterans Resource Program Staff. This feeling of "doing more than the usual" carries over to the other office staff and allows for a better understanding of individual roles.

We have found that in conducting these special programs, we find out about your own staff's capabilities. Some of them will standout as administrators, organizers, media and marketing representatives, talents and skills that can be used in the future.

We have provided copies of the "Project AMER-I-CAN Technical Assistance Guide" to the National Veterans Training Institute (NVTI) and to the Blinded Veterans Associated (BVA) for dissemination.

The Honorable Elizabeth Dole, United States Secretary of Labor has cited "Project AMER-I-CAN" for excellence and urged replication of this type of effort elsewhere.

Perhaps the most effective way to encourage replication of this program and additional and similar efforts would be for the Honorable Edward J. Derwinski, Secretary of Veterans Affairs, to send copies of the Project AMER-I-CAN Technical Assistance Guide to the Directors of all Veterans Administration Medical Centers and the Director of every "Visually Impaired Service Team" in the country. Should the committee wish to contact either the State Employment Security Agencies directly, or through the Assistant Secretary of Labor for Veterans Employment and Training, we can provide as many copies of the Technical Assistance Guides for replication of this program as you may desire.

We have also distributed copies of this information to the ICESA Veterans Affairs Committee and the IAPES Veterans Affairs Committee. We are open to any suggestions the Committee may have as to what else we can do to disseminate this information. We will also assist the Committee in any way possible.

5. You explain in your testimony that you have over 200 people waiting to attend the National Veterans Training Institute (NVTI) in Denver.

How many of these individuals are DVOPs/LVERs?

We currently have twenty four DVOPs/LVERs waiting to attend the Basic Skills CORE course. This does not count approximately the same number of persons who will be joining our staff as DVOPs/LVERs in the next four months.

How many of your local office managers, supervisors, or employment counselors received training at the NVTI?

Over the past three years three of ten Regional Directors have attended NVTI, 45 out of 160 Employment Counselors, 14 out of 91 local office managers, and 32 out of 121 other supervisors have attended. Including four persons from Grants Management and five persons from our Affirmative Action staff, we have had 108 persons other than DVOPs/LVERs attend NVTI. We have, as noted in my testimony, over 200 managers, supervisors, and employment counselors whom we wish to send to NVTI as soon as they can be accommodated in the Basic Skills Core Course, as a matter of our priority.

It is important to note that this is not a criticism of John Nunnery on the National Veterans Training Institute. Rather, we believe that the contract with NVTI does not provide the resources necessary to accomplish "the efficient and effective implementation of all Sections of Title 38."

We believe that the law is clear that veterans priority of service is the job of the entire New York State Department of Labor staff, not only of the DVOPs and LVERs. The NVTI training is excellent, and greatly assists us in enhancing the cognitive knowledge of what to do to effectively assist veterans (particularly disabled veterans) and in enhancing the personal commitment on the part of individual staff members to use those cognitive skills to better assist individual veterans on a daily basis.

NCOA

Non Commissioned Officers Association of the United States of America

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May 11, 1990

Honorable Timothy Penny, Chairman
Subcommittee on Education, Training and Employment
Committee on Veterans Affairs
U.S. House of Representatives
335 Cannon House Office Building
Washington, D.C. 20515

Dear Chairman Penny:

Thank you, for the opportunity to testify before the subcommittee on Education, Training and Employment, on April 25, 1990. The Non Commissioned Officers Association of the United States of America (NCOA) also welcomes the opportunity to respond to your written inquiries. Our responses are attached.

Sincerely,

Tom L. Ryan
Director State/Veterans Affairs

TRL/kp

Chartered by the United States Congress

Responses of Non Commissioned Officers Association to questions dated April 26, 1990

Question: 1. Some of you have expressed concern about the Veterans Employment emphasis under federal contracts contained in chapter 2012 of title 38, United States Code.

Answer: In your view, how should federal contract compliance be enforced, who should be responsible for enforcement and what legal recourse should veterans have?

The solution to the current lack of enforcement lies not in who should be doing the enforcing, but rather in the establishment of some methodology by which to determine compliance or noncompliance. Unlike other affirmative action programs, there is no value by which to hold the contractor liable for inconsistencies in hiring and promotion practice. It is our belief that given clear goals and timetable by which contractors must abide the office of Federal Contract Compliance Program (OFCCP) is fully capable of enforcing the program. Veterans should have every legal recourse available to them that is available to others in affirmative action programs.

Question: 2. Do you believe veterans unemployment and underemployment is far more serious than the BLS statistics suggest, and if so, on what evidence do you base that belief?

Answer: The lack of needed data concerning both unemployment and underemployment make any BLS statistics suspect. As far as we know the BLS has no ongoing programs to ascertain who is underemployed in the veterans community. The question of the unemployed simply boggles the mind; it seems no one can come up with an exact figure. We do believe that if something is not done to provide assistance to former military members leaving the service due to the DOD draw down, both these figures are going to rise over the next few years.

Question: 3. If the DVOP/LVER staffing levels are reduced in line with DOL's budget request, what will be the impact on the delivery of veterans' employment and training services and what will be the effect on the Transition Assistance Pilot Program?

Answer: With the Department of Defense facing large reductions-in-force one is hard pressed to understand the logic that went into the development of a DOL budget request which would reduce the numbers of DVOP's and LVER's. Most assuredly, such a reduction in DVOP's and LVER's at this juncture could cause the Transition Assistance Pilot Program to fail in many areas. Not only will the TAP Program be adversley effected by all veterans assistance will be degraded.

One of the most needed aspects of TAP is the interface between LVER's and separating servicemembers prior to their actual separation. With a reduction in the members of LVER's it is likely that this interface will never take place.

Question: 4. ICESA has recommended that consideration be given to establishing a single Veterans Specialist Classification in employment service offices. What is your reaction to this proposal?

Answer: While we are somewhat skeptical of the reasons behind this suggestion we realize that such a suggestion has merit. However, should such a single veterans classification be instituted it should be done so without a decrease in personnel resources, and without a broadening of responsibilities beyond those presently established for DVOP's and LVER's. The feeling among job service office managers that DVOP's and LVER's should be interjected into the rest of the office work force could become a reality. If such a merging of responsibilities were to take place, this would lead to a degradation of services to veterans.

Question: 5. I'd also like to have your response to the suggestion that DVOP's and LVER's be authorized, but not required, to process initial Unemployment Insurance claims for veterans and other eligible persons. Do you see any insurmountable problem inherent in this recommendation?

Answer: We see no insurmountable problems in this recommendation and in fact we think that such a broadening of responsibilities may provide benefits to DVOP's and LVER's as well as the veteran. One stop processing provides for better case management and at the same time allows DVOP's and LVER's an opportunity to gain a degree of knowledge concerning another facet of the employment services, thereby providing increased advancement opportunities.

Question 6. Several of you have recommended that the DVOP Program be made permanent. If that were done would we need to revise the DVOP/LVER staffing formula? How should DVOP/LVER staffing requirement be determined? What level of DVOP/LVER staffing is required to provide adequate employment and training services to veterans?

Answer: NCOA believes the DVOP/LVER program should be made permanent. The staffing levels would have to be established based on the total number of veterans residing in the job service office area of responsibility. When developing staffing levels one must consider a number of variables contained in local or state wide veterans demographics, such as estimates of homeless veterans and disabled veterans, and the economic outlook for the area.

DVOP/LVER staffing must allow for a comprehensive out reach program along with normal office coverage and the ability to spend at least 15 percent of their time dealing with potential veterans employers.

Question 7. Would you describe the kind of cooperative efforts between the Government and the private sector which you believe are needed to insure the success of the Transition Assistance Program.

If the transition program is to be successful, then the government has to provide the private sector the opportunity to interface with the transitioning servicemenber prior to his or her actually leaving the service. This can be done through job fairs such as those currently being conducted by the Non Commissioned Officers Association in conjunction with the Department of Labor, or through the establishment of an installation job placement center. This should center contain employment information from across the nation as well as information on local employment opportunities. It should also provides a place where local employers could set up interviews and where DVOP/LVER's could make their initial contacts. The key aspect is making servicemembers accessible to potential employers and potential employers accessible to servicemenbers. Any barrier to this contact must be eliminated.

Questi n: 8. If employment and training service programs are made permanent, can you estimate the number of individuals who would be served during a year and the yearly cost?

It is difficult to project costs and numbers at this time since force reduction estimate vary so widely.

Question: 9. Can you discuss the benefits of expected returns from a permanent program?

Answer: While there are those whose measurement of such benefits would be strictly monetary, we believed that it is much more involved. Fifteen years ago the bulk of individuals separating from the service were single, and, in many cases, in no rush to find a job when they left the service. Today's servicemember/veteran is different. The majority of individuals leaving service today are married, and because of this change, they need to find employment as rapidly as possible in order to support their families. A permanent program provides a safety net for those who suddenly find themselves without employment. It also provides assistance to those who, for whatever reason, find themselves dislocated as America's business community reacts to the vicissitudes of a changing world's economics and politics.

Question: 10. Do you believe that veterans participation in JTPA and funding for such participation should be insured statutorily?

Answer: Yes, if JTPA is going to become a viable program the amount of monies to be used by various entities must be legislated.

Question: 11. So you support expanding eligibility for transition services to spouses of separating servicepeople?

Answer: Yes, but only to the degree that it does not degredate services to veterans.

Question: 12. Do you support the addition of the following representations to the Advisory Committee on Veterans Employment and Training?

- The business and industry community - yes
- National organizations other, than veterans organizations - yes, if involved in Veterans Employment
- Assistant Secretary for Employment and Training - No
- Director of the U.S. Employment Service - No

VETERANS OF FOREIGN WARS OF THE UNITED STATES

OFFICE OF THE DIRECTOR

May 21, 1990

The Honorable G.V. "Sonny" Montgomery
Chairman
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

Attached are complete responses to the additional questions raised at the April 25, 1990, hearing of the Subcommittee on Education, Training and Employment.

Respectfully,

Robert D Manhan
Robert D. Manhan, Special Assistant
National Legislative Service

Attachment

★ WASHINGTON OFFICE ★
VFW MEMORIAL BUILDING ● 200 MARYLAND AVENUE, N.E. ● WASHINGTON, D.C. 20002-5799 ● AREA CODE 202-543-2239

QUESTION 1. Some of you have expressed concern about the veterans' employment emphasis under Federal contracts contained in Chapter 2012 of title 38, United States Code.

A. In your view, how should Federal contract compliance be enforced?

B. Who should be responsible for enforcement?

C. What legal recourse should veterans have?

RESPONSE 1A. We offer the following suggestions for strengthening OFCCP enforcement of Federal contract compliance:

- Amend the Federal Contractor Veterans Employment Report (VETS-100) which each contractor annually files with the Secretary of Labor. Require contractors to list the number of suitable job openings listed with the Employment Service, the number of referrals interviewed, and the number actually hired from this source (Copy of VETS-100 is attached).
- The reporting requirement of employment service agencies should be appropriately amended to allow for comparison with data reported by federal contractors.
- DOL should include on the back of the VETS-100 report form, applicable penalties and sanctions for knowingly filing a false report. Those contractors deemed to be serious repeat violators should be subject to Federal Contract debarment.
- DOL should require that the VETS-100 report be filed within 90 days after contract award, instead of at least once annually, which could conceivably come at the end of the contract.
- Some Federal contractors are reported to be adept at listing job opening with the Employment Service to give the appearance of satisfying the terms of a contract, then pull the listing several days later, shutting off referrals. This loophole has to be rectified.
- DOL should identify federal contractors based on the location where the work will be performed, as opposed to the location of the parent company which was actually awarded the contract.
- Section 2012 (a) should be amended to require that veterans be given preference for job openings instead of "priority in referral."

RESPONSE 1B. OFCCP should be responsible for enforcement; however, the agency must make massive improvement in its coordination with the Employment Service administration, Veterans Employment and Training Service (VETS), and the Department of Veterans Affairs (VA). It must become much more agressive in identifying and dealing with those contractors found to be in violation of section 2012.

RESPONSE 1C. When a veteran files a complaint against a federal contractor and receives an adverse ruling at the highest level within OFCCP/DOL, he or she should have the option of having an appeal hearing before an independent Administrative Law Judge, or of going directly into the U.S. Court of Appeal for the Federal Circuit.

QUESTION 2. Do you believe veteran unemployment and underemployment problems are more serious than the BLS statistics indicate? If so, on what evidence do you base that belief?

RESPONSE 2. We believe unemployment and underemployment continues to be a problem among many veterans. The Bureau of Labor Statistics (BLS) reported in November 1989 that while unemployment among Vietnam Era veterans is slightly lower than that of the general population, there are still approximately

250,000 Vietnam Era veterans who are chronically unemployed. An agency profile show this group of veterans to comprise largely of African-American, Hispanics, and women. Many are homeless, educationally deficient and underskilled. It should be noted that available data on the chronically unemployed is felt to be understated, as BLS does not track those veterans who have dropped out of the labor market. It is much more difficult to quantify the number of Vietnam Era and other veterans trapped in underemployment. To begin with, BLS does not keep statistics on underemployment. The agency reports that there is no official government definition for underemployment. BLS reports that some figures are collected on people who work part-time and desire to work full-time; and on those employed at low wages. None of this information is veteran specific, however. The fact that no underemployment statistics are kept is in stark contrast to the findings of Congress cited in title 38, Chapter 41, section 2000(1).

We are convinced that underemployment is a serious problem based strictly on the volume of phone calls and mail received from our members around the country.

QUESTION 3. If DVOP/LVER staffing levels are reduced in line with DOL's budget request, what will be the impact on the delivery of veterans' employment and training services?

What will be the affective on the Transition Assistant Pilot Program?

RESPONSE 3. If DVOP/LVER staffing levels are reduced in line with DOL's budget request, all existing programs would suffer across the board. All delivery points would be forced to scale back on vital outreach and counseling services. We do not believe that employment service agencies would be able to keep pace with current veteran population demands, with the loss of nearly 300 positions.

Regarding the Transition Assistance Program (TAP), we consider the 44 DVOP/LVER staffers designated to provide services under this pilot program is a soft estimate of need. We are especially concerned that more definitive information as to the number of active duty personnel who will be available for services under TAP, has not been made available by the military.

We believe DOL/VETS should lead the effort in seeking authority to increase the DVOP/LVER staffing level. In the event the demands of TAP participants should exceed staffing need projections, we feel additional personnel should be hired and trained. We want to avoid a situation where there is a drop-off in existing outreach and counseling services in order to satisfy TAP needs.

QUESTION 4. ICESA has recommended that consideration be given to establishing a single veterans specialist classification in employment service offices. What is your reaction to this proposal?

RESPONSE 4. We value the opinion of ICESA which is comprised largely of employment service professionals. If it can be demonstrated that priority services in the context of existing programs will be maintained, we have no objection to this suggestion.

QUESTION 5. I'd also like to have your response to the suggestion that DVOPs and LVERs be authorized, but not required, to process initial Unemployment Insurance claims for veterans and other eligible persons. Do you see any insurmountable problems inherent in this recommendation?

RESPONSE 5. This issue has to be considered in a broader context. Several valid points have been in favor of this concept. Proponents point out cross training of DVOPs/LVERs in Unemployment Insurance systems would afford them greater job upward mobility; that many would qualify for several higher type jobs that are currently out of their reach.

Our concern,however, is that employment service agencies have had to close over 600 local offices, and have lost over 14,000 workers over the past ten years due to severe budget cuts. Services offered by employment services have declined as well. It is therefore clear that agencies need additional workers.

While we believe that greater priority services may be provided veterans when DVOPs/LVERs are authorized to process initial Unemployment Insurance claims, we reject efforts to use these personnel for servicing non-veterans except under very strict and well defined guidelines.

QUESTION 6. Several of you have recommended that the DVOP program be made permanent.

If that were done, would we need to revise the DVOP/LVER staffing formula?

How should DVOP/LVER staffing requirements be determined?

What Level of DVOP/LVER staffing is required to provide adequate employment and training services to veterans?

RESPONSE 6. The DVOP program should be made permanent or the vital functions presently provided should definitely be incorporated in any new program.

Regarding a staffing formula and staffing requirements for providing employment and training services to veterans, we will need to study these issues in greater detail. It is clear, however, that with ongoing efforts to make the TAP program permanent, new authority will be needed in order to expand existing mandated staffing levels.

QUESTION 7. The VFW recommends establishment of a veterans' vocational training and retraining program. Can you describe the type of program which you envision?

RESPONSE 7. We envision a veterans' specific training and retraining program that will cater to the employment needs of veterans of all eras. Such a program would focus on training veterans in a growth industry of demand occupations for periods of up to one year. The suitability for training and duration of training would be strictly based on demonstrated need, counseling, and assessment. Special targeted participants would include, but not be limited to:

- Older displaced workers with a remaining work life of seven years or more.
- Younger veterans with no civilian related work experience and whose only previous training has been in the area of military combat arms.
- Disabled and theatre veterans of all eras.
- Veterans who lose eligibility due to the sunset date of GI Bills covering Korean and Vietnam Eras, and who are presently not eligible for benefits under the Montgomery GI bill.
- Veterans receiving training under such a program would be additionally eligible for a small stipend.

QUESTION 8. How would this differ from training programs available under current GI Bills?

RESPONSE 8. The current GI Bill only provides service to a small segment of the veteran community. It does not provide access to a majority of veterans described above.

QUESTION 9. Do you support expanding eligibility for transition services to spouses of separating servicepeople?

RESPONSE 9. Absolutely!

QUESTION 10. Do you support the addition of the following representatives to the Advisory Committee on Veterans Employment and Training:

- the business/industry community
- national organizations other than veterans organizations
- Assistant Secretary for Employment and Training
- Director of the U.S. Employment Service

RESPONSE 10. Yes, with the expectation of "National Organizations other than veterans organizations." We support the Assistant Secretary for Employment and Training and the Director of U.S. Employment Service becoming ex-officio members of the Advisory Committee.

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May 8, 1990

Honorable Timothy J. Penny, Chairman
House Veterans Affairs Subcommittee on
Education, Training and Employment
335 Cannon House Office Building
Washington, DC 20515

Dear Chairman Penny:

This will respond to your thoughtful follow-up questions arising from the Subcommittee's April 25, 1990 hearing. The VVA welcomes the opportunity to clarify its perspective on the issues covered during the hearing.

1. Some of you have expressed concern about the veterans employment emphasis under federal contracts contained in Chapter 2012 of title 38, United States Code.

In your view, how should federal contract compliance be enforced, who should be responsible for enforcement and what legal recourse should veterans have?

The entire history of the program engendered by section 2012 of title 38, United States Code has been a continuing enigma. At the time this program was created, there were dual concerns with the plight of Vietnam veterans whose stereotypical image was exceedingly poor causing strong suspicion that this generation of veterans was being discriminated in the private sector work place. To remedy this problem, some felt it was necessary to simply make such discrimination illegal. For others, a more proactive approach offering veterans a hiring preference with federal contractors was the option of choice. Interestingly enough the program actually enacted blended the two approaches by offering affirmative action in hiring and job advancement to veterans seeking employment with federal contractors. The model selected for this program, with one critically important exception, was the same as that providing affirmative action for women and minorities. Conspicuously missing from the veterans program was any measurable method for scoring the performance of federal contractor compliance.

The method of scoring private sector compliance with affirmative action for women and minorities, on the other hand, is both clear and compelling in that explicit goals and timetables for representative hiring and job advancement are required. Under the circumstances, veterans were left without a clear enforcement mechanism. As a practical matter, if a woman or member of a protected minority feels employment or advancement in employment is being improperly withheld, a complaint can be filed with the Office of Federal Contract Compliance Programs (OFCCP). Upon receipt of the complaint, the OFCCP simply pulls the statement of goals and timetables for the contractor and easily determines whether the hiring and promotion goals are being met. If not, it falls to the contractor to explain why the complaining individual was either unhired or denied promotion. When a veteran feels he or she has been improperly overlooked in employment or promotion, a complaint is also filed with the OFCCP. When the OFCCP receives the complaint, since there are no explicit required goals and timetables for hiring and job advancement of veterans, all that can be done is a determination of whether the contractor discriminated against the veteran. Importantly, the veteran rather than the contractor as with women and minorities, must prove the case.

Moreover, what was originally intended to prevent discrimination against women and minorities became in fact a hiring and promotion preference. What was originally intended as a hiring and promotion preference for veterans in fact became a rather weak discrimination prevention program.

Once enacted, those policy makers having favored the affirmative action approach in formulating this program characterized the program as if it were more than a descrimination prevention program. In fact, the legislative history of this program's origins is replete with referenced intentions to add goals and timetables if the program failed to live up to expectations. As it turned out, the goals and timetables were never added, but the program continued to be inaccurately characterized as an affirmative action program.

The net result for the veterans hoping to take advantage of this program has not been surprising. These veterans look upon this program as just one more example of a betrayal by the government in promising one thing and delivering something far less.

It is well to take a few moments to explain this program's genesis prior to answering this particular hearing follow-up question because an understanding of the program's history is vital to appreciating the need for a legislative fix. After having said that, contractor compliance with this program can only be enforced if goals and timetables are added. With these tools in place, there is no good reason why the OFCCP should fail to assure compliance. On the question of legal recourse, the existing provisions of the program threatening errant contractors with loss of contract business will be sufficient only if measurable goals and timetables are in place.

2. Do you believe veterans unemployment and underemployment problems are more serious than the BLS statistics indicate and, if so, on what evidence do you base that belief?

The problem of veteran unemployment and most especially veteran underemployment is far more serious than the BLS statistics suggest. The reasoning here is based on what the BLS statistics deliberately omit to tell us.

First of all, the BLS statistics fail to count anyone who has dropped out of the labor market. That is, only those who are registered with the job service are counted in the unemployment statistics. Many individuals who are job ready but in need of employment assistance ignore the job service knowing the jobs available through state employment offices are typically low paying and are usually incapable offering either modest financial security or a career future. The fact is the job service accesses less than 10 percent of the employers around the nation.

The BLS statistics also fail to record, as they once did, the wage rates paid to employees whose jobs were secured through the job service. Here the problem of underemployment is ignored altogether by the very agency that ought to be most interested in accurate information on underemployment.

3. If the DVOP/LVER staffing levels are reduced in line with DoL's budget request, what will be the impact on the delivery of veterans' employment and training services and what will be the effect on the Transition Assistance Pilot Program?

Even without having all the data available to the DoL on which to base an accurate estimate of lost services resulting from the DoL's budget request, it can still be reliably assumed that the impact will be serious. Demand for services offered by the job service is already causing strains due to losses of resources over the last 10 years. With fewer personnel, there will have to be less outreach and job development by both DVOPs and LVERs. In addition, the additional responsibilities being contemplated for DVOPs and LVERs in dealing with demobilized military personnel will exacerbate current conditions.

4. ICESA has recommended that consideration be given to establishing a single veterans specialist classification in employment service offices. What is your reaction to this proposal?

The ICESA proposal is couched in expressed concerns about management complexities associated with some ambiguity in the roles of DVOPs and LVERs. To some extent this is true, but this alone is insufficient reason to make a change along lines proposed by ICESA. The real problem, on the other hand, the problem that we are convinced is the engine behind this proposal, is the strain on the job service resulting from severe losses of personnel and resources over the last 10 years.

From a management standpoint, it is likely that some job office managers are resentful that with staff shortages they should be forced to accept the existence of employees whose roles are exclusively dedicated to a single category of clients. The friction created by the presence of workers dedicated exclusively to veterans and the need to provide services to all applicants is well known. Nevertheless, a desire to canabalize LVERs and DVOPs for purposes of greater job office service utility cannot be allowed without seriously jeopardizing the quantity and quality of services available to veterans.

From a politico-budgetary standpoint, making the change proposed by ICESA is also risky. By amalgamating DVOPs and LVERs into one category of veterans employment specialist, the Office of Management and Budget (OMB) would likely find an irresistible temptation to hal've their numbers -- a far more threatening prospect than the DoLs latest budget proposal for DVOPs and LVERs.

5. I'd also like to have your response to the suggestion that DVOPs and LVERs be authorized, but not required, to process initial Unemployment Insurance claims for veterans and other eligible persons. Do you see any insurmountable problems inherent in this recommendation.?

The VVA's own constitutionally mandated Standing Committee on Veterans Economic Issues has taken up this issue on at least three occasions without resolutions of the policy questions raised by the proposal. It is our further understanding that there is also a division of opinion among the ranks of the individuals who would be most affected by this proposal, the DVOPs and LVERs.

On one side of the issue, there are those who fear the career tracks of the DVOPs and LVERs will be stunted without experience in providing UI services. There may be something to this since it is unlikely that DVOPs or LVERs could realistically aspire to be job office managers without both ES as well as UI experience.

On the other hand, some DVOPs and LVERs are fearful that this change would constitute a significant dilution of their exclusive roles as veterans employment specialists. Under the circumstances, this fear is both real and a further illustration of the friction alluded to above between management concern for provision of services to all and government responsibility for providing priority services to veterans.

6. Several of you have recommended that the DVOP program be made permanent. If that were done would we need to revise the DVOP/LVER staffing formula?

In simple terms, the DVOP program should be made permanent and, indeed, the staffing formula for DVOPs and LVERs should be adjusted. In particular, it seems wise to add to the formula the number of recently separated veterans residing in each state. This would help alleviate demand for services by veterans released from the military prematurely, through no fault of their own, as a result of demobilization.

7. You suggest in your testimony enhancing the GI Bill for prematurely discharged individuals. What type of enhancements do you believe would work best?

Since individuals leaving the military for the convenience of the services and who are enrolled in the Montgomery GI Bill will be mostly unable to accrue the full education benefits anticipated when joining the military, the policy question at stake here is one of equity. Those individuals who joined the military intending in good faith to serve out their entire enlistments in order to accrue the full educational benefits promised deserve to receive the full benefits even if they fail to serve the full enlistments for which they signed up.

From a programmatic policy perspective, it also makes sense to offer these individuals full benefits. The exodus from the military resulting from demobilization will exert extreme demand on the nation's labor exchange services, whether provided through job service offices or the Job Training Partnership Act. That being so, offering full educational benefits for those who were enrolled will tap some of the demand on the labor exchange system and channel some of these recently separated veterans into academic and other more structured types of training settings.

8. Do you support expanding eligibility for transition services to spouses of separating service people?

There are a great many policy options that should be considered and adopted to address the tidal shifts in the education and employment sectors resulting from massive demobilization. Before adopting these policies, however, it is wise to assure that sufficient resources will be available to fully carry out the intent of the policies and programs adopted. It is axiomatic that if more is authorized to be done than resources will afford, all those who are served will be served equally poorly. The VVA has no objection to the proposal as long as it will be supported by the resources needed to deliver the intended services.

9. Do you support the addition of the following representatives to the Advisory Committee on Veterans Employment and Training?

- The business and industry community? Yes
- National organizations other than veteran organizations? Only if they are directly involved in providing employment services such as ICESA.
- Assistant Secretary for Employment and Training? No.
- Directory of the U.S. Employment Service? No.

Hopefully, these responses adequately address your follow-up questions. As always, your attention to the views of the VVA is appreciated.

Sincerely,

Paul S Egan

Paul S. Egan
Legislative Director

PVA

PARALYZED VETERANS
OF AMERICA
Chartered by the Congress
of the United States

May 9, 1990

The Honorable G.V. (Sonny) Montgomery, Chairman
House Committee on Veterans' Affairs
335 Cannon House Office Building
Washington D.C. 20515

Dear Mr. Chairman:

This is in response to your letter of April 26, 1990, concerning the Subcommittee on Education, Training, and Employment hearing last month. In accordance with your letter, I have restated each question before the answer.

1. Some of you have expressed concern about the veterans' employment emphasis under Federal contracts contained in Chapter 2012 of title 38, United States Code. In your view, how should Federal contract compliance be enforced? Who should be responsible for enforcement? What legal recourse should veterans have?

   Answer: As you know, veterans presently have no real legal recourse regarding OFCCP complaints. Although OFCCP officials have responsibility for investigating such complaints, final decisions on veterans' appeals are rendered within the bureaucracy. Unlike the newly established Court of Veterans Appeals which has the authority to overturn certain VA decisions, there is no mechanism within the OFCCP process for a veteran to obtain legal recourse. PVA recommends that such a mechanism be established similar to that currently provided for EEOC complainants.

2. Do you believe veteran unemployment and underemployment problems are more serious than the BLS statistics indicate? If so, on what evidence do you base that belief?

   Answer: PVA believes such statistics greatly understate the problem, at least as it pertains to severely disabled veterans. Of our 14.5 thousand members, only six percent are employed on a full-time basis.

3. If DVOP/LVER staffing levels are reduced in line with DOL's budget request, what will be the impact on the delivery of veterans' employment and training services? What will be the affect on the TAP program?

   Answer: It is clear to us that DOL's budget request for FY 1991 is inadequate for that Department to fulfill its mission of assisting veterans. Veterans' employment and training services and the DVOP/LVER programs will be severely eroded without additional funds. PVA does not see how the TAP program could even get started with existing funding levels and the Administration's proposed budget request for next fiscal year.

4. ICESA has recommended that consideration be given to establishing a single veterans specialist classification in employment service offices. What is your reaction to this proposal?

Answer: Such a specialist classification would benefit veterans to the degree the program is funded. Like any employment program, counselors should not be spread so thin that services to existing beneficiaries are diluted.

5. I'd also like to have your response to the suggestion that DVOP's and LVER's be authorized, but not required, to process initial Unemployment Insurance claims for veterans and other eligible persons. Do you see any insurmountable problems inherent in this recommendation?

Answer: This is a good initiative, but we believe it should be limited to eligible veterans.

6. Several of you have recommended that the DVOP program be made permanent. If that were done, would we need to revise the DVOP/LVER staffing formula? How should DVOP/LVER staffing requirements be determined? What level of DVOP/LVER staffing is required to provide adequate employment and training services to veterans?

Answer: If the DVOP program is made permanent, we do not know of any compelling reason to revise the staffing formula other than to say the FTEE level must be based on a needs basis in order to effectively administer the program. According to Section 2003A of title 38, USC, the DVOP staffing level should be 1,883 positions. The staffing level for LVER's should be 1,600 positions. We assume the current program, excluding TAP, could provide adequate employment and training services to veterans if funded at these levels.

7. Do you support expanding eligibility for transition services to spouses of separating servicepeople?

Answer: In all fairness, we believe it would be appropriate to expand such services to spouses who are working at time of separation from the service. Premature separation from the military affects families, not just individuals. In many cases, the income of an active duty person's spouse has set a certain standard of living for the family which may, due to premature separation from the military, be unjustly eroded.

8. Do you support the addition of the following representatives to the Advisory Committee on Veterans Employment and Training:

- the business/industry community
- national organizations other than VSOs
- Assistant Secretary for Employment and Training
- Director of the US Employment Service

Answer: PVA has no objection to the addition of these representatives with the exception of other "national organizations." Since we do not know what organizations would be added or how many there would be, we respectfully withhold our endorsement of this category of representatives.

Sincerely,

Douglas K. Vollmer

Douglas K. Vollmer
Associate Executive Director
for Government Relations
Paralyzed Veterans of America

The American Legion

For God and Country

★ WASHINGTON OFFICE ★ 1608 "K" STREET N.W. ★ WASHINGTON D.C. 20006 ★
(202) 861-2700 ★

May 9, 1990

Hon. G. V. (Sonny) Montgomery, Chairman
Subcommittee on Education, Training and Employment
House Committee on Veterans' Affairs
335 Cannon House Office Building
Washington, DC 20515

Dear Congressman Montgomery:

Attached is The American Legion's response to the questions raised by Congressman Penny regarding your Committee's April 25th hearing on veterans' employment and training programs. Should you have any further questions, please have your staff be in touch.

We appreciate the opportunity to answer Congressman Penny's questions and look forward to working with both of you in the future.

Sincerely,

James B. Hubbard, Director
National Economic Commission

JBH/dcj

1. Some of you have expressed concern about the veterans' employment emphasis under Federal contracts contained in Chapter 2012 of title 38, United States Code.
In your view, how should Federal contract compliance be enforced?
Who should be responsible for enforcement?
What legal recourse should veterans have?

A. We believe that DoL's Office of Federal Contract Compliance (OFCCP) should be responsible for enforcement and that it should have the same enforcement powers as EEOC. Further, we believe that if a complaint against a contractor is not resolved within 180 days, the veteran should have right of private action against the contractor for non-compliance.

2. Do you believe veteran unemployment and underemployment problems are more serious than the BLS statistics indicate? If so, on what evidence do you base that belief?

A. The American Legion believes that veterans' unemployment and underemployment are far more serious than BLS statistics would indicate. The reason for this is that BLS counts as "unemployed" only those veterans who are actively seeking employment. According to the forum that was conducted in 1988, "Workforce 2000 and America's Veterans," over 60% of all severely disabled veterans (those rated by the VA at 60% or more disabled) have completely dropped out of the job market.

We believe that many of these veterans could and would work if given the opportunity. However, many have become discouraged and have dropped out of the job market because employers have not made, or will not make, the job accommodations necessary for their employment. Thus, they have stopped seeking employment and are not represented in the BLS statistics.

Another group that we are concerned about are homeless veterans. While the figures that we have seen regarding the total number of homeless Americans very greatly from one study to the next, one thing that all researchers do agree on is that at least one-third of all homeless people are veterans. Furthermore, they also agree that at least one-third of all homeless veterans served during the Vietnam era.

Although no one has much hard data on these veterans at this time, The American Legion believes that very few of these men and women can seek or are seeking employment. As a result, they too are not included in BLS statistics.

3. If DVOP/LVER staffing levels are reduced in line with DoL's budget request, what will be the impact on the delivery of veterans' employment and training services?
What will be the effect on the Transition Assistance Pilot Program?

A. On April 5th, Miles S. Epling, The American Legion's National Commander, wrote to President Bush to express our deep concern over DoL's FY 1991 budget request for veterans' employment and training programs. Since that letter very clearly spells out our position on this matter, we are attaching a copy of it for your reference.

4. ICESA has recommended that consideration be given to establishing a single veterans specialist classification in employment service offices. What is your reaction to this proposal?

A. While there are many similarities between the duties of the LVER and those of the DVOP specialist, we believe that there are enough job distinctions to warrant continuation of the two job classifications.

5. I'd also like to have your response to the suggestion that DVOPs and LVERs be authorized, but not required, to process initial Unemployment Insurance claims for veterans and other eligible persons. Do you see any insurmountable problems inherent in this recommendation?

A. The American Legion feels strongly that the responsibilities of the LVER and the DVOP specialist should be restricted to what is currently prescribed by law. In order to be effective, we believe, all of their time and efforts should be devoted to the job counseling, testing, training, enrollment, and placement of veterans. Of course, in the case of the DVOP specialist, one other major responsibility is that person's outreach to both the employer and veteran communities.

Another argument against authorizing LVERs and DVOP specialists to process Unemployment Insurance claims stems from the proposed downsizing of America's military. In view of the administration's plan to reduce drastically the size of the armed forces over the next few years, we believe that the workload of the LVER and the DVOP specialist will increase dramatically in the near future.

6. Several of you have recommended that the DVOP program be made permanent.
If that were done, would we need to revise the DVOP/LVER staffing formula?
How should DVOP/LVER staffing requirements be determined?
What level of DVOP/LVER staffing is required to provide adequate employment and training services to veterans?

A. At the present time The American Legion believes that the formulas in the law provide adequate numbers of LVER and DVOP positions. The downsizing of the armed forces may dictate an increase in numbers over 3-5 years. There are management problems with this approach. We look forward to working with the committee on this issue.

The American Legion is still looking at the question of how LVERs and DVOPs should be divided among the states. Although we have not come to any final conclusions, we believe that the following items must be considered in determining the number of DVOPs per state:

1) Number of veterans in the state
2) Number of disabled veterans in the state.

The number of LVERs should remain at 1600 as currently mandated in Title 38 USC.

7. Do you support expanding eligibility for transition services to spouses of separating servicepeople?

A. The American Legion does not support providing transition assistance to spouses of separating servicepeople.

First, the Employment Service already has a program for assisting non-veterans which is perfectly capable of serving the needs of these spouses.

Second, we believe that DVOPs and LVERs should provide services only to veterans.

8. Do you support the addition of the following representatives to the Advisory Committee on Veterans Employment and Training:

-- the business/industry community

-- national organizations other than veterans organizations
-- Assistant Secretary for Employment and Training
-- Director of the US Employment Service

A. The American Legion in general would not oppose the appointment of additional members to the Advisory Committee on Veterans Employment and Training. May we offer the following suggestions:

1. That one representative from a large industry and one from a small business be added. The selection of these two individuals should be left to the discretion of the Secretary of Labor.

2. That a representative from the employment security community be asked to serve on the committee.

3. That the Assistant Secretary for Employment and Training and the Director of the US Employment Service serve on the same basis as the other federal agencies and that these individuals be ex officio members of the committee.

The
American
Legion

OFFICE OF THE
NATIONAL COMMANDER

★ WASHINGTON OFFICE ★ 1608 K STREET N. W. ★ WASHINGTON D. C. 20006 ★

April 5, 1990

The President
The White House
Washington, DC 20500

Dear Mr. President:

The American Legion is increasingly concerned with the commitment your administration is demonstrating toward Viet Nam Era and disabled veterans. Your budget request from the Department of Labor underfunds by 288 positions the state employees specifically charged with helping solve the unemployment problems faced by these two populations. In addition your request does not comply with the law. The formulas for the number of Disabled Veteran Outreach Placement specialists (DVOPs) and Local Veterans' Employment Representatives (LVERs) to be employed by the state employment security agencies and paid with funds from the Federal Unemployment Trust Account are contained in Title 38 USC (P.L. 100-323).

Those formulas, predicated on the number of Viet Nam era and disabled veterans in each state for DVOPs and a mandated number for LVERs, show that for FY 1991, a minimum of 1883 DVOP positions and 1600 LVER positions should have been funded to comply with the law. Your budget requests funds for only 1730 DVOPs and 1465 LVERs. In dollar terms this underfunding amounts to over $12 million by one estimate. But more to the point, by not funding these positions, disabled veterans and homeless veterans of the Viet Nam era are being consigned to a life of misery and frustration because there is no help available to assist them in becoming wage earners and taxpayers rather than welfare recipients.

Further, deleting money from the one program which is specifically designed to assist members of the Armed Forces in their transition to civilian life at a time when major reductions in active duty troop strength are being contemplated is questionable at best. The sooner these former service people can obtain civilian jobs, the less chance there is of a rise in the unemployment rate. Our staff has seen one proposal for force reductions which would raise the unemployment rate by at least 2.5% by 1993 unless civilian jobs can be obtained for the service members being released from active duty.

I am informed that when your Office of Management and Budget passed back the initial budget request from Secretary Dole, she asked for a reconsideration of the veterans' portion based on what is contained in the statute. I am also informed that Sec. Dole was told she could come to you with her request, but that if she did, her entire budget request for the rest of the Department of Labor would also be reconsidered. Given that choice, she dropped the matter.

Mr. President, your administration, including OMB, is charged with upholding the law. I submit that when a funding request does not contain enough money to meet the requirements of the federal statute, the law has not been upheld.

I respectfully request on behalf of the 3.1 million members of The American Legion, and the one million members of the American Legion Auxiliary, that you instruct your Budget Director to meet and fund the requirements of Title 38, or any other applicable statute, when budget requests for your administration are formulated.

Sincerely,

Miles S Epling

Miles Epling

MSE/dej

DAV

Motto: "If I cannot speak good of my comrade, I will not speak ill of him."

DISABLED AMERICAN VETERANS

NATIONAL SERVICE and LEGISLATIVE HEADQUARTERS
807 MAINE AVENUE, S.W.
WASHINGTON, D.C. 20024
(202) 554-3501

May 10, 1990

Honorable Timothy J. Penny, Chairman
House Veterans Affairs Committee
Subcommittee on Education, Training
and Employment
U. S. House of Representatives
335 Cannon House Office Building
Washington, DC 20515-6335

Dear Chairman Penny:

Thank you very much for providing me the opportunity to respond to some specific questions that have arisen as a result of the April 25, 1990 hearing on the Department of Labor's programs.

In accordance with Chairman Montgomery's instructions, I will respond to the questions consecutively and repeat the question prior to providing the answer.

1. Some of you have expressed concern about the veterans' employment emphasis under Federal contracts contained in Chapter 2012 of title 38, United States Code.

In your view, how should Federal contract compliance be enforced?

Who should be responsible for enforcement?

What legal recourse should veterans have?

Answer: Currently, Section 2012 is complaint oriented rather than compliance oriented. What that means is unless a covered veteran files a complaint with the Department of Labor, it is unlikely any action will be taken to determine whether or not contractors are complying with their requirements under existing law. We believe the program should be both compliance oriented and complaint oriented. Eligible veterans should be permitted to file complaints which would be immediately investigated. Also, individuals or organizations acting for, or on behalf of, eligible veterans could also file such a complaint. This would continue to protect the rights of individuals to file complaints on their own behalf.

Additionally, we believe the Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) should step-up their level of activity for the Affirmative Action Program contained in Section 2012. It is our opinion and there is evidence to support this, OFCCP's major thrust is on the program providing protections to other covered groups. OFCCP also needs to provide additional training to their compliance officers regarding Section 2012. OFCCP needs to increase compliance reviews on behalf of veterans.

We also believe the contractor annual reports (VETS-100) should be used as a compliance/enforcement mechanism. Right now those reports are used primarily to identify federal contractors for the Department of Labor's VETS field staff. To our knowledge, no employer has been investigated by OFCCP as a result of questions or apparent indicators that a contractor may be violating the provisions of Section 2012. It has been suggested in the past that the enforcement function be transferred to VETS from OFCCP. This may not be politically feasible or administratively achievable, but is something that needs to be pursued unless OFCCP increases its level of support for this most important program.

Currently, veterans have no legal recourse other than to file a complaint with OFCCP. Following the filing of the complaint, the veteran is left to the mercy of OFCCP. Their decision is final. Under current regulations, only OFCCP can pursue judicial remedies. In my April 25th statement, I indicated, "eligible veterans also need to have the ability to pursue their complaint beyond the OFCCP level without OFCCP having final discretion which cases will be referred for court action."

2. Do you believe veteran unemployment and underemployment problems are more serious than the BLS statistics indicate? If so, on what evidence do you base that belief?

Answer: We do, indeed, believe the unemployment and underemployment problems are understated. We base that belief, Mr. Chairman, on other available data identified as quarterly reports for the employment services programs (ETA-9002). For example, during the period July 1, 1988 through June 30, 1989, there were a total of 2.3 million veterans seeking assistance through the Employment Security System. Only a little more than half actually received some reportable service that would enhance their employment opportunities. During that same period, there were a little more than one million Vietnam era veterans seeking those services and, again, a little more than half received them. There were more than 130,000 disabled veterans and more than 50,000 "special" disabled veterans (30 percent or more), slightly more than 7,200 and 28,000, respectively, who received some reportable services. This data, plus the fact the BLS data does not take into account the "discouraged worker" nor the part time or "underemployed" worker, supports our belief.

3. If DVOP/LVER staff levels are reduced in line with DOL's budget request, what will be the impact on the delivery of veterans' employment and training services?

What will be the affect on the Transition Assistant Pilot Program?

Answer: As indicated in question 2, under the current staffing level just a little more than half of all veterans seeking services are receiving those services. With the proposed budget cuts, an adverse impact in providing those services will occur.

The data previously cited is based on program year July 1, 1988 through June 30, 1989, and does not contain any activity under the Transition Assistance Pilot Program. By expanding the types of services to be provided by DVOPs and LVERs, we will see a further decline of services to eligible veterans. Therefore, we believe it is imperative that the monies be restored for full funding as required by law.

4. ICESA has recommended that consideration be given to establishing a single veterans specialist classification in employment service offices. What is your reaction to this proposal?

Answer: Our initial reaction is one of opposition. The DAV has supported and fought for the continuation of the Disabled Veterans Outreach Program and we believe without a disabled veteran specialist, services to that class of veterans will diminish.

5. I'd also like to have your response to the suggestion that DVOPs and LVERs be authorized, but not required, to process initial unemployment insurance claims for veterans and other eligible persons. Do you see any insurmountable problems inherent in this recommendation?

Answer: The concept of assuring this type of service is provided is consistent with the idea of "case management" contained in Section 2003 A(c)(10). However, we do have major concerns about who provides the actual service. We are reserving any position on that proposal pending further study.

6. Several of you have recommended that the DVOP program be made permanent.

If that were done, would we need to revise the DVOP/LVER staffing formula?

How should DVOP/LVER staffing requirements be determined?

What level of DVOP/LVER staffing is required to provide adequate employment and training services to veterans?

Answer: At the present time, we see no need to revise the staffing formula. As you know, this was recently done for LVERs in Public Law 100-323. Quite obviously, the number of disabled veterans will decline unless the United States becomes involved in a major military action over a sustained period of time. We believe the DVOP should be made permanent and the formula reviewed in a couple of years. At that time, a review could be undertaken to develop criteria to be used in determining staff requirements. It is difficult to determine the needed staffing levels to provide adequate employment and training service to veterans. Given the aforementioned data, an assumption could be made that we would have to double the staff, in order to provide services to all of the clients. We certainly do not believe that to be feasible. However, we do believe levels of funding should be increased to assure the existing formula for DVOPs and LVERs is met and adequate funding be provided to staff the Employment Security System. The system today is approximately one-third smaller than it was ten years ago. That diminution of staff obviously has an adverse impact on veterans' services.

7. Do you support expanding eligibility for transition services to spouses of separating servicepeople?

Answer: Yes.

8. Do you support the addition of the following representatives to the Advisory Committee on Veterans Employment and Training:

- the business/industry community
- national organizations other than veterans organizations
- Assistant Secretary for Employment and Training
- Director of the US Employment Service

Answer: We have no objection to the inclusion of the aforementioned on the Advisory Committee on Veterans' Employment and Training. In my April 25th prepared statement, I elaborated on some of the major concerns about the Advisory Committee. I did, at that time, recommend "Section (c)(2) should be amended to include 'or individuals representing organizations' following 'not more than six individuals.'"

Mr. Chairman, I would again like to take this opportunity to thank you for your continuing concern and strong support for veterans' employment and training issues especially as they affect disabled veterans.

Sincerely,

Ronald W Drach

RONALD W. DRACH
National Employment Director

RWD:lrd